

Purchasing Week

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\$6 A YEAR U.S. AND CANADA \$25 A YEAR FOREIGN

HOW THE UPGRADING IN P.A. PERSONNEL IS SHAPING UP

- Direction is to tougher, leaner staffs. Look for:
 - More experts to carry a big load at middle levels.
 - More demand for candidates with college degrees.
 - More automation to give the experts better tools.
- More purchasing v-p's from other departments.
- Further decline of roll-top-desk functions and men.
- Dumping of excess personnel hired in boom time.
- Greater sophistication geared to defense demands.

Recession Rigors Breeding Tough, Smart P.A.'s



DR. CLYDE T. HARDWICK



JOSEPH W. NICHOLSON

P/W Staff of Experts Grows

Two more experts are going to widen the scope of PURCHASING WEEK's "Professional Perspective" feature so that you'll be better advised in the fields of 1) municipal and state purchasing, and 2) administrative-managerial strategy. The new consultants:

Joseph W. Nicholson, City Purchasing Agent of Milwaukee for 35 years, Shipman Gold Medal winner, past president of the National Assn. of Purchasing Agents, past president of the National Institute of Governmental Purchasing, author, longtime teacher (Marquette University).

Dr. Clyde T. Hardwick, professor of economics and business administration (University of Detroit), director of the Institute for Business Services, author, lecturer, and advisor to such industrial and government giants as Detroit Edison, State of Michigan, GE, General Motors, First Federal Savings.

Their comments will begin appearing in the March 20 issue.

Styrene Prices Reduced; Other Chemicals to Ease

New York—Styrene monomer tags were cut last week, and lower prices appeared to be developing for a number of key industrial chemicals—gum resin, naphthalene, and benzene.

The reason in all cases—growing supply. A 50% boost in styrene output over the past year—now estimated at over 150-million lb. a month—prompted Koppers Co. to reduce this widely used synthetic rubber and plastics ingredient from 12.59¢/lb. (Turn to page 37, column 3)

ICC Sets Aside Rail Contract Rates; CAB Eases Up on Air Cargo Tariffs

Washington—Railroad efforts to provide shippers with rate incentives ran into a major roadblock last week when the ICC cancelled a "contract rate" in effect almost a year. At the same time, the CAB opened the way for air cargo carriers to set their own rate minimums in what it termed a "new era in the carriage of freight." Here were the separate moves by the two agencies.

• ICC ordered the New York Central to end a contract rate for shipments of rugs and carpeting from Amsterdam, N. Y. to Chicago. Observers saw this as a "benchmark" decision signalling collapse of other efforts to establish guaranteed rates on large volume shipments.

• In contrast, the CAB liberalized its attitude on air cargo rates. It proposed to abolish minimum air freight rates, leaving carriers free to set their own fees. Almost simultaneously, it approved Flying Tiger rate reduction. (Turn to page 37, column 3)

Vendors Do the Ordering In Dundee Honor System

Dundee, Mich.—Salesmen write their own purchase requisitions, take inventory, and replenish stock when they sell maintenance supplies to the Dundee Cement Co. They fill Dundee's needs without day-to-day detailed supervision of purchasing because Purchasing Director Douglas G. Shanks believes in the "honor system."

The way Shanks works it, suppliers write their own requisitions. (Turn to page 8, column 4)



HONOR MAN AT WORK: Taking inventory is one of vendor's many jobs under Dundee honor system.

Emphasis on Experts, Youth Also Included In Purchasing's New Look

A Special P/W Survey

New York—Here's how purchasing departments are emerging from industry's latest period of cost-cutting stress and production cutbacks: leaner, tougher and more solidly packed with expert staff assistants than ever before.

• Faced with top management demands for more purchasing-inspired profits and confronted by intensified technological requirements, key purchasing managers have concentrated as much on what's ahead as day-to-day performance.

• The results, as shown by a PURCHASING WEEK survey of purchasing departments in a variety of industries, have been a major acceleration of purchasing's new look (see chart above).

• Rather than reducing the size of purchasing staffs in any recession-inspired austerity move (although this has occurred in some instances), most purchasing directors have concentrated on shifting the makeup and in- (Turn to page 38, column 1)

Government Economists See Brighter Future In New Business Statistics

Washington—A sharp decline in inventory liquidation, confirmed last week by Commerce Dept. statistics, evoked optimistic comment about business trends from key government economists.

Top Administration officials, including both President Kennedy and Commerce Secy. Hodges asserted it still remains to be seen whether an upturn is occurring. But officials who compile data on general business activity stressed they were heartened by these figures:

Manufacturers' inventory liquidation. (Turn to page 4, column 3)

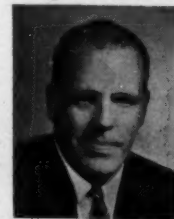
—This Week's—

Purchasing Perspective MARCH 6-12

Despite a trend toward specialization, the general practitioner in purchasing—as in medicine—still remains the backbone of the profession. That's why some members of purchasing's top circles view critically suggestions that colleges be asked to turn out job candidates already full-to-the-brim with academic purchasing knowledge.

At General Foods Corp., Purchasing Director S. E. Spencer, Jr., sees the prime need as one for "common sense men . . . It's a waste of time to specialize in purchasing as an undergraduate in college." Spencer prefers to bring in young men with college backgrounds that add up to a good general education. The General Foods recipe for training a potential purchasing candidate is sound background in such diverse fields as social science, accounting, world economics, law, marketing, and English composition. Spencer and other General Foods top executives believe that today's purchasing manager faces such an interrelated complex of factors within and outside the company that no specialized courses could cover them all.

(Turn to page 37, column 1)



SPENCER

P/W PANORAMA

• **How Do You Choose the Right Copying Machine** for your office when there are so many models to pick from? The spread beginning on page 28 gives you some helpful hints, along with a guide to the various machines on the market.

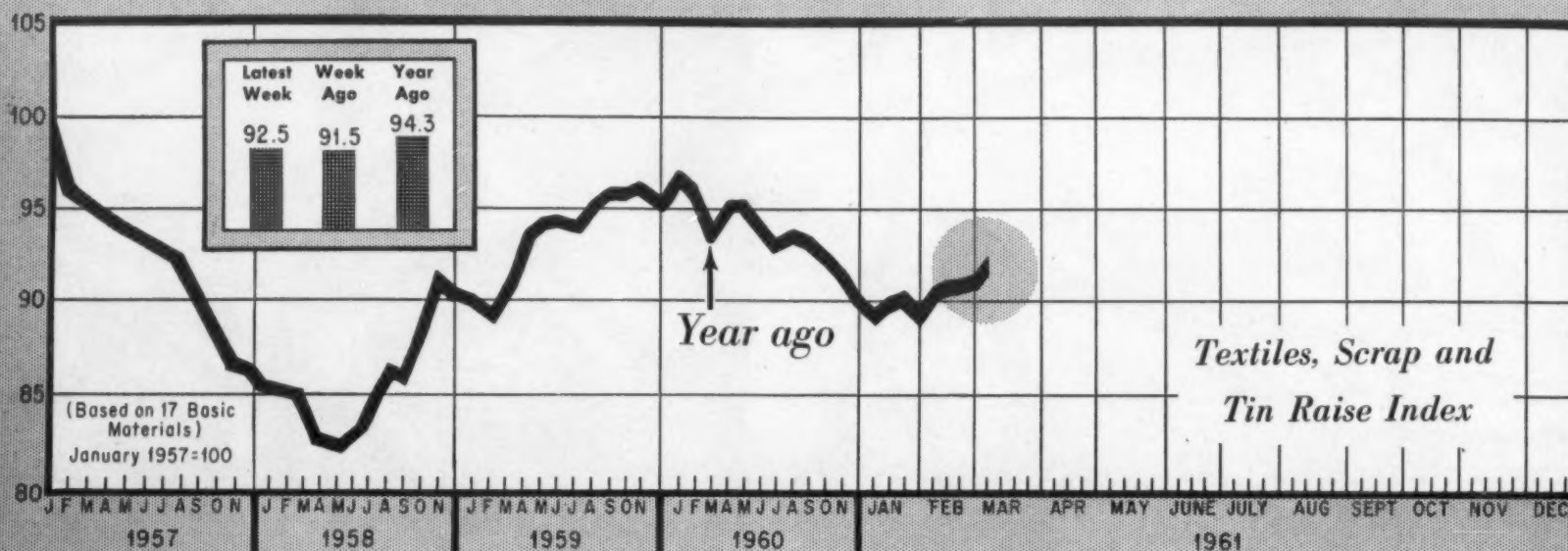
• **Warranty Responsibility** is something that crops up many times for most P.A.'s. The Law and You' column on page 36 gives you a briefing on this important subject, along with other significant points in the fine print of purchasing.

• **Speed vs. Economy Frequently Is a Problem** faced by P.A.'s who must determine how their supplies should be shipped. 'School for Strategists' on page 24 shows you one way of solving this dilemma—and will give you some fun besides.

• **What's Really Behind the Labor-Cost Squeeze?** Some business economists think it's the ever increasing number of white collar workers on modern-day payrolls. The story on page 9 gives the facts and figures behind this theory.

Purchasing Week Industrial Materials Price Barometer

This index, based on 17 basic materials, was especially designed by the McGraw-Hill Department of Economics.



This Week's Commodity Prices

| | Mar. 1 | Feb. 22 | Year Ago | % Yrly Change |
|---|--------|---------|----------|---------------|
| METALS | | | | |
| Pig iron, Bessemer, Pitts., gross ton..... | 67.00 | 67.00 | 67.00 | 0 |
| Pig iron, basic, valley, gross ton..... | 66.00 | 66.00 | 66.00 | 0 |
| Steel, billets, Pitts., net ton..... | 80.00 | 80.00 | 80.00 | 0 |
| Steel, structural shapes, Pitts., cwt..... | 5.50 | 5.50 | 5.50 | 0 |
| Steel, structural shapes, Los Angeles, cwt..... | 6.20 | 6.20 | 6.20 | 0 |
| Steel, bars, del. Phila., cwt..... | 5.97 | 5.97 | 5.975 | -.1 |
| Steel, bars, Pitts., cwt..... | 5.675 | 5.675 | 5.675 | 0 |
| Steel, plates, Chicago, cwt..... | 5.30 | 5.30 | 5.30 | 0 |
| Steel scrap, #1 heavy, del. Pitts., gross ton..... | 35.00 | 32.00 | 36.00 | -2.8 |
| Steel scrap, #1 heavy, del. Cleve., gross ton..... | 34.00 | 29.00 | 36.00 | -5.6 |
| Steel scrap, #1 heavy, del. Chicago, gross ton..... | 34.00 | 31.00 | 33.00 | +3.0 |
| Aluminum, pig, lb..... | .26 | .26 | .26 | 0 |
| Secondary aluminum, #380 lb..... | .226 | .228 | .25 | -9.6 |
| Copper, electrolytic, wire bars, refinery, lb..... | .286 | .286 | .327 | -12.5 |
| Copper scrap, #2, smelters price, lb..... | .233 | .233 | .253 | -7.9 |
| Lead, common, N.Y., lb..... | .11 | .11 | .12 | -8.3 |
| Nickel, electrolytic, producers, lb..... | .74 | .74 | .74 | 0 |
| Tin, Straits, N.Y., lb..... | 1.016 | 1.016 | 1.008 | +.8 |
| Zinc, Prime West, East St. Louis, lb..... | .115 | .115 | .13 | -11.5 |
| FUELS† | | | | |
| Fuel oil #6 or Bunker C, Gulf, bbl..... | 2.30 | 2.30 | 2.00 | +15.0 |
| Fuel oil #6 or Bunker C, N.Y., barge, bbl..... | 2.62 | 2.62 | 2.37 | +10.5 |
| Heavy fuel, PS 400, Los Angeles, rack, bbl..... | 2.10 | 2.10 | 2.15 | -2.3 |
| Lp-Gas, Propane, Okla., tank cars, gal. (net price).... | .045 | .045 | .045 | 0 |
| Gasoline, 92 oct. reg., Chicago, tank car, gal..... | .124 | .124 | .111 | +11.7 |
| Gasoline, 84 oct. reg., Los Angeles, rack, gal..... | .108 | .108 | .112 | -3.6 |
| Kerosene, Gulf, Cargoes, gal..... | .103 | .103 | .09 | +14.4 |
| Heating oil #2, Chicago, bulk, gal..... | .10 | .103 | .088 | +13.6 |
| CHEMICALS | | | | |
| Ammonia, anhydrous, refrigeration, tanks, ton..... | 94.50 | 94.50 | 90.50 | +4.4 |
| Benzene, petroleum, tanks, Houston, gal..... | .34 | .34 | .34 | 0 |
| Caustic soda, 76% solid, drums, carlots, cwt..... | 4.80 | 4.80 | 4.80 | 0 |
| Coconut oil, inedible, crude, tanks, N.Y. lb..... | .135 | .135 | .193 | -30.1 |
| Glycerine, synthetic, tanks, lb..... | .273 | .273 | .293 | -6.8 |
| Linseed oil, raw, in drums, carlots, lb..... | .167 | .167 | .171 | -2.3 |
| Phthalic anhydride, tanks, lb..... | .195 | .195 | .165 | +18.2 |
| Polyethylene resin, high pressure molding, carlots, lb.. | .275 | .275 | .325 | -15.4 |
| Rosin, W.G. grade, carlots, fob N.Y. cwt..... | 17.00 | 17.00 | 13.70 | +24.1 |
| Shellac, T.N., N.Y. lb..... | .31 | .31 | .31 | 0 |
| Soda ash, 58%, light, carlots, cwt..... | 1.55 | 1.55 | 1.55 | 0 |
| Sulfur, crude, bulk, long ton..... | 23.50 | 23.50 | 23.50 | 0 |
| Sulfuric acid, 66% commercial, tanks, ton..... | 22.35 | 22.35 | 22.35 | 0 |
| Tallow, inedible, fancy, tank cars, N.Y. lb..... | .069 | .069 | .058 | +19.0 |
| Titanium dioxide, anatase, reg. carlots, lb..... | .255 | .255 | .255 | 0 |
| PAPER | | | | |
| Book paper, A grade, Eng. finish, Untrimmed, carlots, cwt..... | 17.75 | 17.75 | 17.20 | +3.2 |
| Bond paper, #1 sulfite, water marked, 20 lb, 16-carton lots, cwt..... | 25.20 | 25.20 | 25.20 | 0 |
| Chipboard, del. N.Y., carlots, ton..... | 100.00 | 100.00 | 100.00 | 0 |
| Wrapping paper, std. Kraft, basis wt. 50 lb rolls..... | 9.50 | 9.50 | 9.25 | +2.7 |
| Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle.. | 6.60 | 6.60 | 6.30 | +4.8 |
| Old corrugated boxes, dealers, Chicago, ton..... | 14.00 | 14.00 | 18.00 | -22.2 |
| BUILDING MATERIALS‡ | | | | |
| Cement, Portland, bulk carlots, fob New Orleans, bbl.. | 3.65 | 3.65 | 3.65 | 0 |
| Cement, Portland, bulk carlots, fob N.Y., bbl..... | 4.20 | 4.20 | 4.18 | +.5 |
| Southern pine, 2x4, s4s, trucklots, fob N.Y., mftbm.... | 116.00 | 116.00 | 124.00 | -6.5 |
| Douglas fir, 2x4, s4s, carlots, fob Chicago, mftbm.... | 122.00 | 122.00 | 137.00 | -10.9 |
| Spruce, 2x4, s4s, carlots, fob Toronto, mftbm..... | 80.00 | 80.00 | 89.00 | -10.1 |
| Fir plywood, 1/4" AD, 4x8, dealer, crld, fob mill, msf.. | 60.00 | 60.00 | 68.00 | -11.8 |
| TEXTILES | | | | |
| Burlap, 10 oz. 40", N.Y., yd..... | .168 | .165 | .106 | +58.5 |
| Cotton middling, 1", N.Y., lb..... | .330 | .326 | .333 | -.9 |
| Printcloth, 39", 80x80, N.Y., spot, yd..... | .176 | .172 | .220 | -20.0 |
| Rayon twill, 40x45, 92x62, N.Y., yd..... | .20 | .205 | .235 | -14.9 |
| Wool tops, N.Y., lb..... | 1.490 | 1.485 | 1.470 | +1.4 |
| HIDES AND RUBBER | | | | |
| Hides, cow, light native, packers, Chicago, lb..... | .178 | .170 | .20 | -11.0 |
| Rubber, #1 std ribbed smoked sheets, N.Y., lb..... | .300 | .286 | .410 | -26.8 |

† Source: Petroleum Week ‡ Source: Engineering News-Record

This Week's

Price Perspective

MARCH 6-12

PRICE FIRMING—Spot commodity quotations are showing signs of strengthening on a broad front.

PURCHASING WEEK's sensitive industrial materials price barometer, for example, has been rising for over a month now. That's in sharp contrast to the almost steady fall of the previous 12 months. The index is now up to 92.5 (January 1957 = 100)—more than 3% above recent lows.

The meaning behind the new trend is still not quite clear. Right now price analysts are split down the middle. One group—relatively cautious—thinks that much of the firming is due almost entirely to an international speculative flurry sparked by recent troubles abroad. And their feeling is that prices will slip back to former levels as soon as tensions ease.

But others feel that international speculation doesn't tell the whole story. They note a definite pickup in buying for both consumption and inventory which, they believe, is independent of political considerations.

One commodity analyst told Purchasing Week, "If the actual buying uptrend continues for another month or two, I think it's a pretty good indication that we're coming out of the recession."

THE EVIDENCE right now seems to be swinging in favor of this second or "optimistic" group of analysts.

Last week, for example, newly released copper fabricator statistics showed new orders hit 97,592 tons (metal content)—up 7% from month-earlier levels. Fabricator deliveries are up an even more resounding 20%.

Aluminum is also showing signs of perking up. Distributors note a stepup in inquiries and a steadily growing number of small orders. Mills are also turning more optimistic—citing increases in key sheet and plate demand.

Much the same picture is seen for tin. Reports from Pittsburgh indicate that tin plate stocks held in the mills for customer account are now moving at a pretty fast clip. The mills, in turn, are stepping up their own ordering of tin. That's primarily why the metal soared to \$1.02 1/4/lb. last week—up more than 2¢/lb. from early January lows.

Even textiles are showing some signs of pickup—with a stronger demand tone noted in both combed yarns and gray cotton fabrics.

BRIGHTENING OUTLOOK for two of the nation's biggest users of industrial raw materials—autos and machinery—indicate that the current demand pickup should continue.

A surprisingly healthy auto picture, for example, is painted by the latest Federal Reserve Board survey of consumer buying intentions. Taken in January, it shows that there are actually more people today than a year ago that have plans afoot to buy new automobiles.

To be sure, the increase is small—3.5% of families now compared to 3.4% in 1960. But it's particularly significant because the current survey was taken right smack in the middle of a recession—at a time buying intentions for "big-ticket" consumer items are usually at a low point.

An 11% spurt in mid-February auto sales (compared to early February) tends to support the survey's findings.

Machinery optimism is based on latest new order reports. On a seasonally adjusted basis, McGraw-Hill's machinery new order index rose to 166 (1950 = 100) in January—4% above month-earlier levels.

Major strength was noted in construction and mining machinery (up 11%); general purpose machinery (up 7%); and pumps and compressors (up 5%).

Evidence that the trend may continue comes from another McGraw-Hill machinery report—this one on producer expectations. This survey estimates second quarter orders will rise some 8% above January-March levels.

Nonferrous Producers See Subsidy Ahead for Lead and Zinc, Not Copper

New York—Nonferrous metal producers are voicing some optimism about eventual aid to lead and zinc (via subsidies), but have all but written off any hope of government aid to bolster copper tags.

One industry spokesman told **PURCHASING WEEK**, "There's a better than even chance that Congress will now work out some sort of lead-zinc subsidy bill." But he thought it would take time.

The major problems, according to this expert, are: (1) setting the support price, (2) restricting aid to small users, and (3) "making sure that there are no loopholes which will enable major producers to take advantage of subsidy provisions."

Long-Run Aid

Other long-run aid for these metals could come from the March 20 world meeting on lead-zinc problems in Mexico City. Administration officials, for example, expect considerable pressure for additional restraints on production to bring the metals—particularly lead—into balance with world demand.

The meeting, sponsored by the UN, has no power to develop any binding agreement, but is in a position to strongly influence actions by governments or producers to hold down production.

Canada already has announced a cut in mine production of lead, and there is some indication that Australia—although it already has announced that 1961 lead production is planned at about the 1960 level—may be willing to reconsider and cut back if other lead-producing nations act likewise.

Zinc is a separate question, mainly because it is a U.S. problem rather than a world problem. Outside the U.S., zinc production is generally in balance with demand. U.S. domestic producers may be able to lick the problem by themselves. In the last two months, for example, production cutbacks ranging as high as 15% have been announced by such leaders as

Anaconda; American Zinc, Lead, and Smelting; St. Joseph Lead; New Jersey Zinc; and Asarco.

The chances of any aid for copper—the basic nonferrous metal—are remote. One major hope was dashed last week when Kennedy Administration rejected the idea of a world cartel for the red metal.

There's also little likelihood of legislative help via tougher import restrictions on foreign copper or via direct subsidies.

Chrysler Announces New Gas Turbine Engine

Detroit—Chrysler Corp. has developed an automotive gas turbine engine that it says has "rapid acceleration and engine-braking characteristics long sought in the turbine field."

The new design, known as the "variable nozzle" system, automatically changes the pitch in the turbine vanes to aid acceleration and braking, in much the same fashion as the system used to control an aircraft propeller.

Chrysler said it will make the engine available to a limited

number of customers who can prove they need it for experimental purposes. Meanwhile, the company has installed the new powerplant in a specially styled Plymouth passenger car, a 2½-ton Dodge truck and a "space-age" experimental sports car named the "Turboflite".

Companies expected to negotiate for turbine trials include independent truck makers, and road building and off-the-road vehicle manufacturers. The new turbines will be virtually hand-made for the present at about a

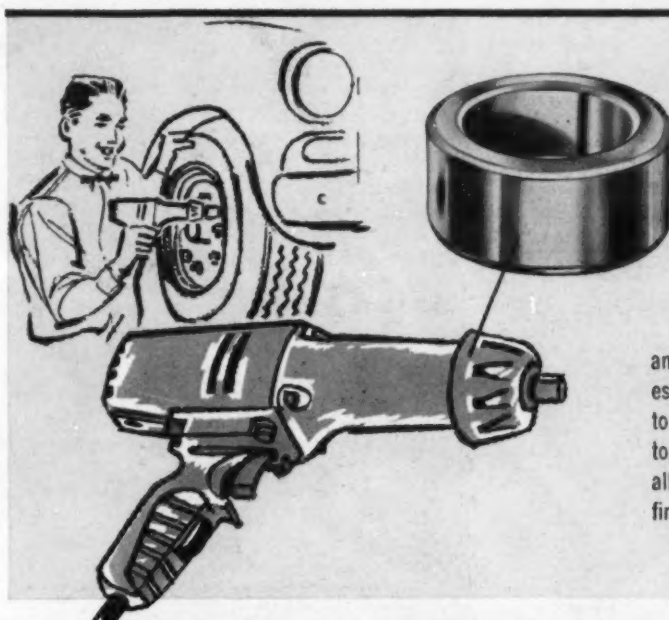
one-a-month rate. Orders must be negotiated directly with the corporation and not through local Chrysler dealers.

This is Chrysler's third turbine, but the first one specifically designed for automotive use. It weighs less than 450 lb., is rated at 140 hp. and can fit in a space 27x27x35 in. It has worked satisfactorily on unleaded gasoline, JP-4, diesel fuel and other liquid hydrocarbons.

Volume production is geared to a timetable which calls for large-scale production by 1965.

600 SERIES

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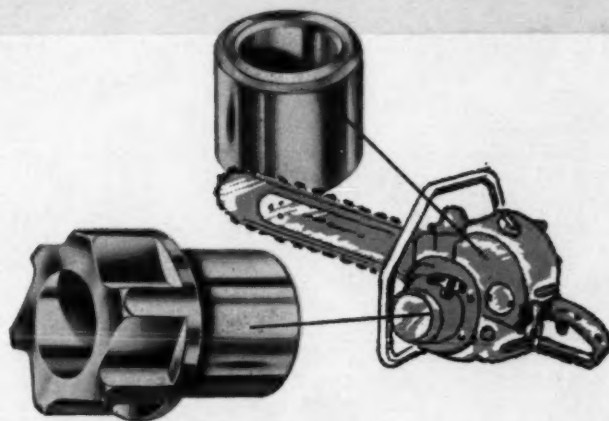


600 ALLOY NOSE BEARING WITHSTANDS THE PUNISHING SHOCK LOADS OF AN IMPACT WRENCH

This heavy-duty impact wrench takes the rigorous punishment of hard industrial use right on the nose . . . and right on the 600 Series nose bearing. This bearing was especially chosen by the manufacturer because of its ability to absorb a range of 1600 to 1800 impacts per minute at a torque of from 0 to 250 foot pounds. By specifying 600 bearing alloy, the manufacturer gets superior performance from his finished product.

600 ALLOY RATCHET AND DRIVE GEAR BEARING TAKES THE TERRIFIC POUNDING OF A HIGH POWERED CHAIN SAW

Professional woodcutters give chain saws a rough time for hours on end, all year round, and these rugged saws must be built to take punishment. With chain speeds up to 3000 feet per minute, the ratchet and drive gear bearings, for example, must have a very high strength, hardness and good resistance to wear with minimum lubrication. That's why 600 Series Alloy was specified for both parts . . . the ratchet is a forging and the bearing was produced from 600 Series rod.



Texas Butadiene Offers Quantity Price Breaks On SMA Film Coating

New York—Texas Butadiene & Chemical Corp. now is offering quantity breaks in the price of its plastic film coating, SMA, a combination of styrene and maleic anhydride.

The move was made possible by stepping up production from pilot plant to commercial scale at the company's South Miami, Fla., facility.

The new price scale is: 75¢/lb. for less than a drum load; 59¢/lb. for quantities between a drum load and a truck load, and 57¢/lb. on orders for a truck load or more. The old price was a flat 75¢/lb.

A company spokesman said the truck load price can be expected to drop even further, to between 50¢ and 55¢/lb., once the full effect of the increased production is felt. The Florida plant has a capacity of 1-million lb. annually.

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Washington Perspective

MARCH 6-12

Kennedy's advisers are having trouble getting agreement on a tax incentive plan to stimulate plant modernization. One of the big problems is that they are finding that businessmen themselves are by no means a solid block in their support for some such proposal.

Kennedy's acuteness to fiscal responsibility—as demonstrated in his highway financing message—seems also to have taken much of the steam out of the “investment incentive” proposal as a way of stimulating plant and equipment spending. That idea would give a company a tax credit related to the amount of money spent on new plant and equipment, therefore reducing the corporation's tax. Now, it appears that a further liberalization of depreciation allowances is much more likely. This proposal would only spread the tax liability but would not reduce it.

This puts the opponents of such an incentive—and particularly those in Congress who favor an antirecession tax cut for individuals—in a much stronger political position.

Kennedy is trying to keep his tax programs clean and understandable to the public and Congress but he may be running into trouble quickly as Congress starts considering legislation.

Kennedy is hewing to a conservative line on taxes, as his highway tax proposals show. This is also indicated by his go-slow attitude toward a tax cut for consumers as an antirecession measure. He wants to keep revenues high, if possible, so as to show the best record possible on handling the budget deficit.

On highways, Kennedy recommends that users—consumers and truck operators particularly—pay more to keep the program on a “pay-as-you-go” basis.

Consumers are taking a cautious view on their personal spending for the next six months. That is the latest report from the Federal Reserve Board.

Consumer buying intentions are below a year ago and, in some cases, even below those of last October. But one encouraging exception was in autos where some 3.5% of the families interviewed reported plans to buy a new car within six months. This was a shade above year-ago percentage.

Household appliances: Reported plans to buy washing machines and refrigerators are below those of a year ago. Plans to purchase TV sets are about the same.

Houses: In January, 1961, 4.8% of the families checked said they planned to buy a new house in the next year. This compared with 5.7% a year earlier.

Some change in government policy is almost certain to come from the current tugging and pulling over residual fuel oil.

East Coast consumer interests are mobilized, demanding decontrol to let in more cheap foreign oil for heavy industry, electric utilities, and big space heating customers. And the powerful coal forces in Congress are on the defensive, fighting to preserve the present curbs.

Kennedy makes plain that these conflicting political forces are real to his Administration. He cites the need for “balancing” the opposing claims, and thus practically rules out the goal of the consumer groups, complete decontrol.

However, in his recent day-long hearing on the problem, Interior Secretary Stewart L. Udall, whose department handles oil import controls, chided coal men who blame too many of their industry's problems on imported residual fuel.

The outlook, therefore, is for some liberalization of residual import controls, and a new basis of allocation, scrapping the present system that gives quotas only to companies that imported in 1957, and letting new firms into the program.

Weekly Production Records

| | Latest Week | Week Ago | Year Ago |
|--|-------------|----------|----------|
| Steel ingot, thous tons | 1,582 | 1,582 | 2,690 |
| Autos, units | 107,494 | 83,493* | 161,198 |
| Trucks, units | 22,436 | 22,547* | 33,318 |
| Crude runs, thous bbl, daily aver | 8,376 | 8,447 | 8,108 |
| Distillate fuel oil, thous bbl | 15,725 | 15,935 | 13,188 |
| Residual fuel oil, thous bbl | 6,933 | 6,170 | 6,980 |
| Gasoline, thous bbl | 28,794 | 28,689 | 28,633 |
| Petroleum refineries operating rate, % | 84.4 | 85.2 | 83.1 |
| Container board, tons | 148,557 | 147,481 | 150,088 |
| Boxboard, tons | 103,134 | 101,723 | 99,807 |
| Paper operating rate, % | 87.7 | 91.9* | 98.5 |
| Lumber, thous of board ft | 196,718 | 199,949 | 249,738 |
| Bituminous coal, daily aver thous tons | 1,187 | 1,227* | 1,233 |
| Electric power, million kilowatt hours | 14,239 | 14,315 | 14,092 |
| Eng const awards, mil \$ Eng News-Rec | 405.6 | 397.1 | 505.6 |

*Revised

Brighter Future Seen in New Business Statistics

(Continued from page 1)

liquidation was only \$100-million in January, compared to an average monthly decline of \$350-million during the last quarter of 1960.

In addition, the January inventory figures showed that the \$100-million liquidation occurred mostly in finished goods, while manufacturers' inventories of raw materials and goods in process stayed about even with December.

Prior to January, manufacturers had been liquidating their raw materials stocks rapidly month after month, while inventories of finished goods were piling up.

So what the economists have been looking for—as the first sign of a bottoming out—may be happening: finished goods inventories declining, raw materials inventories not declining.

The economists say they are not jumping to any firm conclusion that the trend has been halted on the basis of just one month's figures. But they say that this is precisely what they would expect to happen if the inventory slide was about to end.

The turn in the inventory figures is occurring mostly in the important durable goods manufacturing industry, and officials will be watching closely to see what happens next month.

The key to a real reversal is sales, and what's needed is a significant upturn here. The ratio of finished goods inventories to sales is still rather high, and a slight sales upturn could be handled easily out of present stocks of finished goods, and with no rise in purchases of raw stocks.

So the big question is: Will the expected increases in sales this spring be enough to cause manufacturers to add to their stocks of steel and other raw materials?

The January rise in new orders and unfilled orders in the key iron and steel industry could be a further clue.

Two Eastern Smelters Boost Price Of Secondary Brass, Bronze Ingot

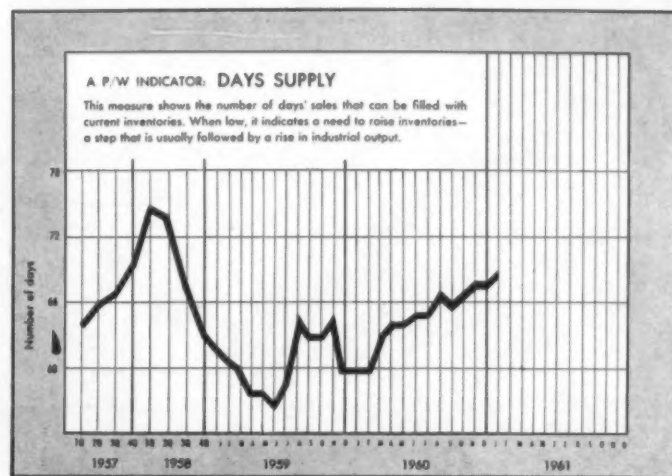
New York — Brass smelters around the country are reluctant to go along with last week's increase in secondary brass and bronze ingot prices by two good-sized Eastern smelters—2¢/lb. for yellow brass ingot, 1¢/lb. for the other groups—but observers say the cost squeeze may force an industry wide boost.

“Brass scrap has gone up to 10% in the past month,” commented one Midwest manufacturer, “and we're really being squeezed.”

“I don't see how we can avoid going along with the price increase soon,” said a leading Eastern firm. “Scrap is going to be high and hard to get for some time.”

Brass ingot demand isn't showing any marked general pickup. Buying flurries occur—industrial plumbing manufacturers are currently in the market—and most producers see these spurts as reflections of low inventory position by various users.

“If the scrap shortage scared brass ingot customers into the



END OF INVENTORY PARING seems in sight as new January data show the smallest hard goods stock reduction since liquidation began last summer. Another optimistic sign: Cutbacks that did occur were centered in the finished goods area—thereby clearing the way for production pickups later. Sales, however, continue to disappoint. That's the reason PURCHASING WEEK's days' supply indicator continues to rise—with the latest level 15% above a year ago.

Truckers Hint Shippers Will Foot Cost of Kennedy's Highway Program

Washington—Trucking interests, groaning at the prospect of heavier taxes proposed to raise additional funds for the interstate-highway program, suggest that shippers ultimately would pay the bill in higher tariffs.

Opposition

Sharp opposition to President Kennedy's proposals developed immediately last week following his special message to Congress on highway fund needs. In urging completion of the 41,000-mile program, Kennedy recommended financing plans to Congress that would require the trucking industry to provide most of the additional revenues needed.

The outcries caused some sources on Capitol Hill to express doubt that Congress would go along with the President's

proposals. Nevertheless, House Ways and Means Committee Chairman Wilbur Mills (D-Ark.) scheduled hearings on the tax part of the program to begin March 14.

Urges Keeping Time Table

President Kennedy urged completion of the 41,000-mile interstate highway program by 1972 as scheduled, and recommended financing plans to Congress which would require the trucking industry to provide most of the additional revenues needed. Arguing against “either stretching out or cutting back our highways program,” Kennedy asked Congress to increase construction funds for primary, secondary and urban roads from the present annual spending level of \$925-million by \$25-million every two years beginning in 1964 until a \$1-billion level is reached.

Pay-as-You-Go

He opposed shifting some \$800-million a year from general revenues to the interstate program and firmly advocated keeping it on a pay-as-you-go basis. In order to do this, he recommended:

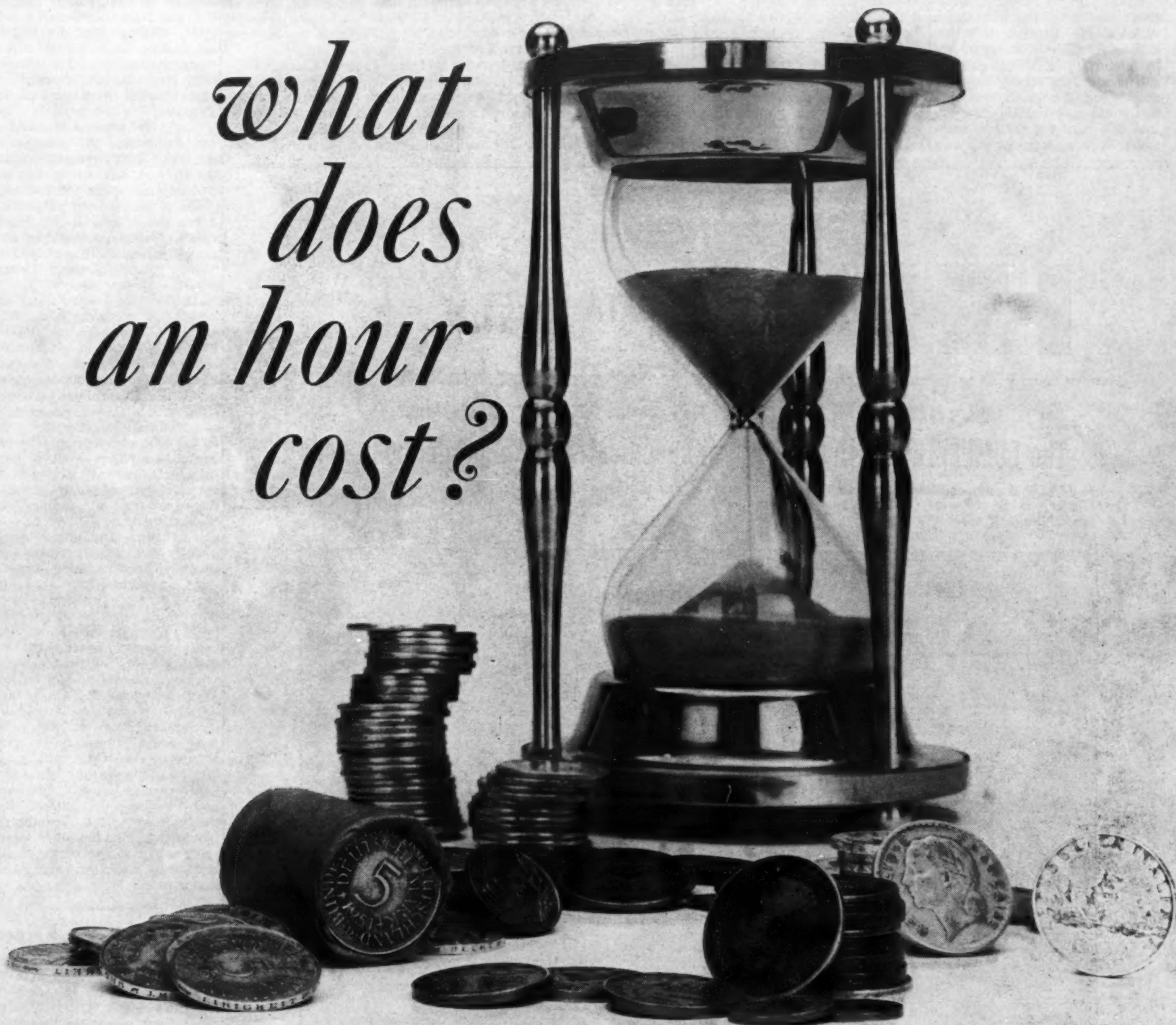
(1) Extension of the present 4¢/gal. gasoline tax, due to drop to 3¢ on July 1; (2) raise diesel fuel from 4¢/gal. to 7¢, for an annual revenue increase of about \$55-million; (3) tax larger trucks \$5/thousand lb., instead of \$1.50, for an increase of \$89-million; (4) increase highway tire taxes from 8¢ to 10¢/lb. for \$49-million, (5) increase thread rubber taxes from 3¢ to 10¢/lb., for \$37-million, and (6) increase inner tube taxes from 9¢ to 10¢/lb. for \$2-million.

In Lieu of Gas Tax Rise

These Kennedy tax proposals were in lieu of another ½¢ increase in the federal gasoline tax, which would provide about \$300-million annually in revenue. Kennedy said he was not recommending the increase this year because of economic conditions in the nation, but declared he would, if the new taxes were not approved by Congress.

PURCHASING AGENTS...

*what
does
an hour
cost?*



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Union Carbide Challenged on Visking Acquisition

Washington—Union Carbide Corp. will have to divest itself of Visking Corp., which it acquired in 1956, if a preliminary order issued by the Federal Trade Commission is upheld.

FTC examiner Abner E. Lipscomb has ruled the transaction violated the antimerger provisions of the Clayton Antitrust Act by tending to lessen competition and create a monopoly in production and sale of polyethylene film-grade resins and polyethylene film used for flexible packaging. Visking was the nation's

largest producer of the film and bought a large portion of its resin requirements from Union Carbide before being acquired by Carbide, the FTC said.

'Power to Exclude'

The acquisition gives Carbide the "power to exclude seven other producers of polyethylene resins from the substantial segment of the buying market represented by Visking," said Lipscomb. In addition, the examiner held that Visking set prices which smaller polyethylene film produ-

cers were compelled to accept.

Under Lipscomb's order, Union Carbide must divest itself of enough of Visking's assets to restore the company to its former competitive position as an independent polyethylene film producer. The order, however, does not apply to the Visking division that manufactures synthetic sausage casings.

The preliminary order still must be reviewed and sustained by the full commission. The FTC decision, when it is made, can be appealed in the courts.

Ruling on 'Exclusive Contracts' Seen Clarifying Antitrust Laws

Washington—Exclusive long-term contracts are not necessarily illegal, the U. S. Supreme Court ruled last week. The decision should help clarify Section 3 of the Clayton Act, one of the more confusing clauses of the antitrust laws.

Justice Tom C. Clark, in the majority opinion, stressed that objections to long-term contracts under the section need to be considered in the individual light of each case. He placed a

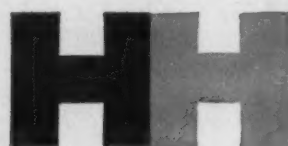
broad construction on the "relevant market" requirement necessary to bring about a violation.

The court's ruling involved a dispute between Tampa Electric Co. and Nashville Coal Co. In 1955, Tampa, after deciding to use coal to fire boilers in a new power station, signed a contract with Nashville under which its coal supplies were assured for 20 years.

Nashville later announced it was suspending the contract in the belief the agreement violated the Clayton Act, contending the contract fell under the exclusive dealings prohibitions of Section 3 because it assured that Nashville's competitors would be prevented from selling coal to Tampa during the 20-year period. Lower courts upheld Nashville, but Justice Clark, in the 7-to-2 decision, said they erred in identifying as Florida alone the market in which competition was allegedly damaged. Even though the contract may be an exclusive dealings arrangement under Clayton Act terms, it is not illegal because the court found that competition was not being harmed in what it considered the relevant market area, the entire Appalachian coal-producing region rather than just Florida.

The court also handed down a decision in a patent case that could have far reaching implications in determining make-or-buy policies. The court ruled that the holder of an over-all patent on a device cannot prevent a competitor from making and selling its unpatented parts.

The case involved Convertible Top Replacement Co., Inc., owner of patent on the entire mechanism of an auto convertible top, which objected to Aro Manufacturing Co., Inc., making and selling just the fabric top. Lower courts agreed that Aro had infringed the patent. But the Supreme Court ruled the replacement of the top alone represents repair of the whole device and was therefore acceptable under patent laws.



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|--------------------------------------|------------------------|-----|------|--------------|---------------|-----|------------|-----|-------------------------|
| NAME | COMPOSITION PERCENTAGE | | | | MELTING POINT | | FLOW POINT | | TROY OUNCES PER CU. IN. |
| | Ag | Cu | Zn | Other | °F | °C | °F | °C | |
| EASY-FLO | 50 | 15½ | 16½ | (18 Cd) | 1160 | 625 | 1175 | 635 | 5.0 |
| EASY-FLO 3 | 50 | 15½ | 15½ | (16 Cd-3 Ni) | 1170 | 630 | 1270 | 690 | 5.0 |
| EASY-FLO 45 | 45 | 15 | 16 | (24 Cd) | 1125 | 605 | 1145 | 620 | 4.9 |
| EASY-FLO 35 | 35 | 26 | 21 | (18 Cd) | 1125 | 605 | 1295 | 700 | 4.9 |
| SIL-FOS | 15 | 80 | | (5 P) | 1185 | 640 | 1300 | 705 | 4.5 |
| SIL-FOS 5 | 5 | 88½ | | (6¼ P) | 1185 | 640 | 1300 | 705 | 4.4 |
| TEC* | 5 | | | (95 Cd) | 640 | 340 | 740 | 395 | 4.6 |
| TEC-Z* | 5 | | 16.6 | (78.4 Cd) | 480 | 250 | 600 | 315 | 4.5 |
| BRAZE 071 (SN-7)† | 7 | 85 | | (8 Sn) | 1225 | 665 | 1805 | 985 | 4.8 |
| " TL | 9 | 53 | 38 | | 1410 | 765 | 1565 | 850 | 4.5 |
| " ATT | 20 | 45 | 30 | (5 Cd) | 1140 | 615 | 1800 | 815 | 4.6 |
| " 202 (AT SPEC)† | 20 | 45 | 35 | | 1315 | 715 | 1500 | 815 | 4.7 |
| " NE | 25 | 52½ | 22½ | | 1250 | 675 | 1575 | 855 | 4.7 |
| " 251 (AE)† | 25 | 57½ | 17½ | | 1270 | 690 | 1625 | 885 | 4.7 |
| " NT | 30 | 38 | 32 | | 1250 | 675 | 1410 | 765 | 4.7 |
| " DT | 40 | 36 | 24 | | 1235 | 670 | 1415 | 770 | 4.8 |
| " SS | 40 | 30 | 28 | (2 Ni) | 1220 | 660 | 1435 | 780 | 4.8 |
| " 404 (SS-5)† | 40 | 30 | 25 | (5 Ni) | 1220 | 660 | 1580 | 860 | 4.7 |
| " DE | 45 | 30 | 25 | | 1225 | 665 | 1370 | 745 | 4.8 |
| " ETX | 50 | 34 | 16 | | 1250 | 675 | 1425 | 775 | 5.0 |
| " 541 (4772)† | 54 | 40 | 5 | (1 Ni) | 1340 | 725 | 1575 | 855 | 5.1 |
| " 560 (ER)† | 56 | 22 | 17 | (5 Sn) | 1145 | 620 | 1205 | 650 | 5.0 |
| " 580 (EB)† | 57½ | 32½ | | (7 Sn-3 Mn) | 1120 | 605 | 1345 | 730 | 5.1 |
| " BT | 60 | 25 | 15 | | 1245 | 675 | 1325 | 720 | 5.0 |
| " 603 (RT-SN)† | 60 | 30 | | (10 Sn) | 1115 | 600 | 1325 | 720 | 5.2 |
| " 630 (RSNI)† | 63 | 28½ | | (6 Sn-2½ Ni) | 1275 | 690 | 1475 | 800 | 5.1 |
| " EASY | 65 | 20 | 15 | | 1240 | 670 | 1325 | 720 | 5.1 |
| " 655 (RE-MN)† | 65 | 28 | | (5 Mn-2 Ni) | 1385 | 750 | 1560 | 850 | 5.2 |
| " MEDIUM | 70 | 20 | 10 | | 1275 | 690 | 1360 | 740 | 5.1 |
| " BT | 72 | 28 | | | 1435 | 780 | 1435 | 780 | 5.2 |
| " HARD | 75 | 22 | 3 | | 1365 | 740 | 1450 | 790 | 5.3 |
| " 752 (TR-1)† | 75 | 18 | 25 | | 1300 | 705 | 1330 | 720 | 5.1 |
| " IT | 80 | 18 | 4 | | 1340 | 725 | 1490 | 810 | 5.3 |
| " 852 (85 Ag-15 Mn)† | 85 | | | (15 Mn) | 1780 | 960 | 1780 | 970 | 5.1 |
| PREMABRAZE 610 | 61 | 24 | | (15 In) | 1155 | 625 | 1305 | 705 | 5.0 |

*A Solder—Not a Brazing Alloy.

†Former Names

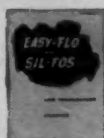
Space does not permit listing the many special alloys, formulated for a particular or unique application. Handy & Harman Brazing Engineers and Technical Service are

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DISTRIBUTORS IN PRINCIPAL CITIES

GE Increases Prices On Standard Meters

Somersworth, N. H.—General Electric's Meter Dept. reduced prices last week on standard single-phase and polyphase watt-hour and watthour demand meters.

Earlier, GE announced that through use of a basic components pre-assembly technique, it had been able to reduce factory delivery time by 75% (roughly from four weeks to five working days) on single-phase watt-hour-demand meters and transformer rated single-phase meters.

Book prices of single-phase meters were cut 50¢, net price 30¢. Book prices of polyphase meters were cut \$1, net price 60¢. The reductions encompass a whole range of products which are sold in "package units." Most widely used is the I-60 single-phase watt-hour meter, pointer type with 200-amp capacity. New book price: \$26, previously \$26.50. New net price: \$15.60, previously \$15.90.

AFL-CIO Pushes Organizing Drive To Curb Decline in Union Membership

Miami Beach—The 135-union AFL-CIO, hit by a combination of dwindling membership and operating funds, is pushing an organizing drive among its affiliates. The aim is to halt the drop in AFL-CIO membership—down some 300,000 in the past year—and to curb the more successful organizing gains of such independent unions as the Teamsters and United Mine Workers' "catch-all" District 50.

Actually, the big labor federation now stands at 12.5-million members, 1-million less than it had in 1957 before the expulsion of a half-dozen unions, including James R. Hoffa's Teamsters. And the percentage of the 46-million work force considered open to union organizing has fallen off from 40% to 38% in that period.

In an effort to put life into the organizing drive, the AFL-CIO changed its policy toward jurisdictional disputes between affiliates. In the past, one affiliate could block another from going into an industry or specific plant just by staking out a rival jurisdiction claim. And the AFL-CIO's 150 organizers had been barred from helping a member union's organizing just because another affiliate makes a "paper claim" of jurisdiction. Henceforth, this union must demonstrate its serious organizing intentions or lose out on the campaign.

Rival AFL-CIO unions, particularly in such industries as chemical and textiles, have failed to settle their jurisdictional claims by negotiation. This has halted many proposed organizing efforts in the South, a region the unions have long hoped to invade.

Even with this tactical change, however, the AFL-CIO campaign faces real trouble. The federation's treasury has dwindled by some \$700,000 in the past eight months, due mainly to unemployment among its big auto and steel unions.

To bolster its treasury, the executive council voted a temporary 3¢ per capita increase for six months to raise an estimated \$1.2-million dollars. The stand-

ard 5¢/month per capita payment is expected to be raised permanently at the AFL-CIO Convention next December. Because this money is urgently needed for operating expenses, none of the increased collections will go into organizing despite a warning by the AFL-CIO's special organizing committee, headed by Walter Reuther, that "the present organization staff is inadequate to meet our organizational needs."

Union Contract Picture at a Glance

Washington—The January drop in the cost of living index spelled bad news last week for about 1-million workers in the auto and other industries whose pay is adjusted to the consumer's price index.

But a number of unions will be seeking higher pay in contract negotiations beginning this month. Here's how the picture looks:

No major pattern settle-

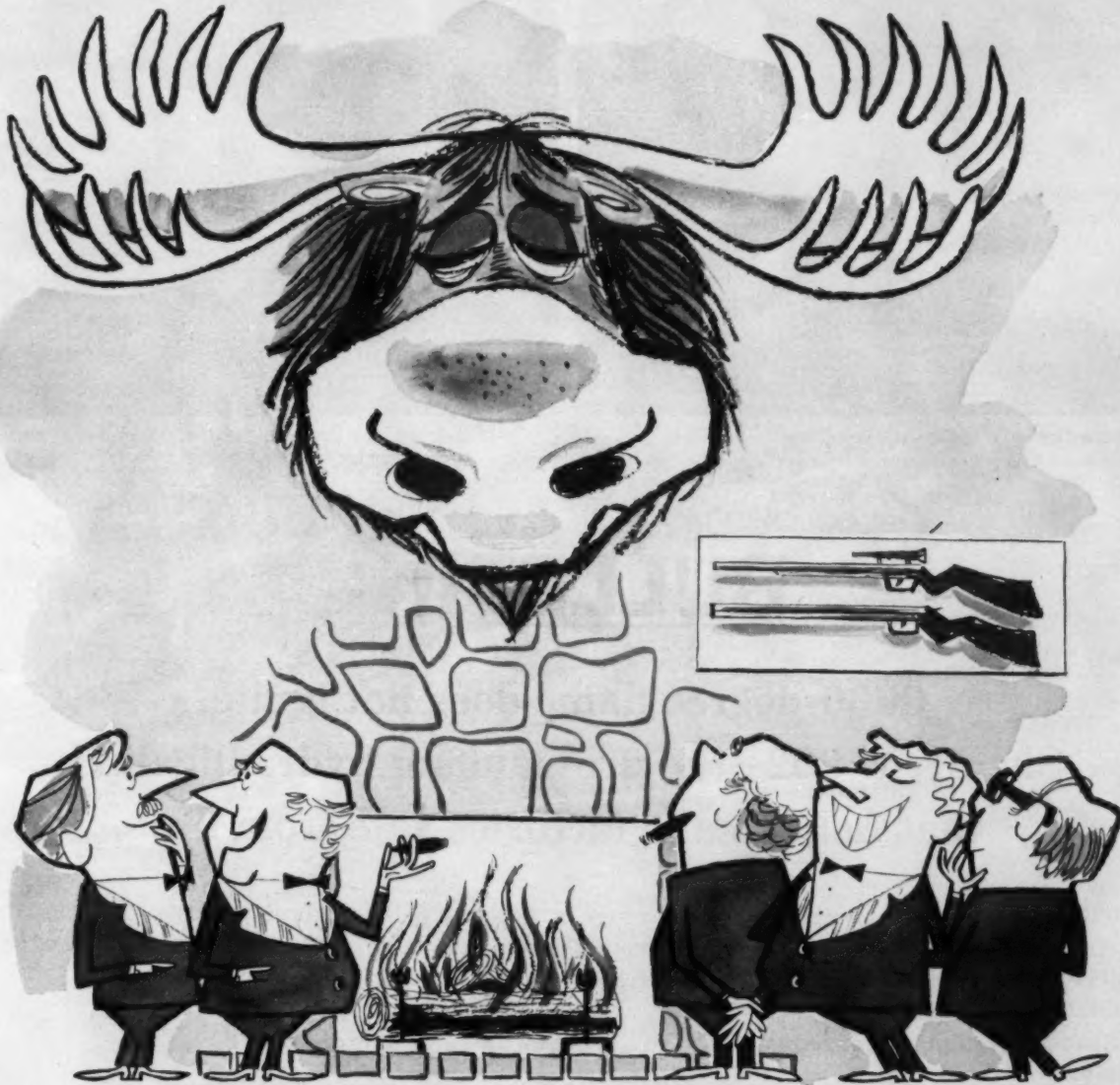
ments can be expected from the varied bargaining sessions that are widely spaced by industry and locations. Even talks by the International Assn. of Machinists with metal trades firms in the San Francisco area for 8,000 workers are considered regional bargaining that won't necessarily affect machine shop negotiations elsewhere.

But a likely pace-setter for still pending airlines negotia-

tions was a recent machinist settlement with United Airlines, providing an 11¢-to-15¢ wage hike and vacation and insurance fringe benefits.

Major bargaining due to open March:

California metal fabricators (IAM), Atlantic Refining Co. (independent union), New York Telephone Co. (CWA and independent), and Commonwealth Edison, Illinois (IBEW).



"The only thing Fred would rather talk about is how he discovered the way to lower the cost per 1000 pounds of steam."

What Fred discovered, of course, is that what you pay for BTU's per ton of coal is not as important as your cost per 1000 pounds of steam. And here is where the value of ISLAND CREEK PRECISIONEERED COALS really shows up strong. For Island Creek can lower the cost of steam, with its inherently superior coals scientifically mined and prepared exactly to your specific burning requirements. Why don't you and your plant people take a look at some case histories that prove how Precisioneering can save money? Write or phone. No obligation.



ISLAND CREEK Precisioneered Coal

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1962 Cars to Feature Safety Belt Attachments

Detroit—The five major auto makers will install hardware for safety seat belts as standard equipment on all 1962 models, but not the seat belts themselves.

The move, announced almost simultaneously by General Motors, Ford, Chrysler, American Motors, and Studebaker-Packard, virtually sets an industry policy that is almost certain to be followed by the smaller manufacturers—Willys, Checker Motors, and International Harvester.

The hardware will consist of reinforced plates on the floorpans of the cars and universal brackets to which belts for the front seats can be attached. The new policy will save customers a large part of the \$20 to \$40 it now takes to install a pair of front seat belts by eliminating labor costs for drilling through the floorpan and attaching the hardware.

DUNDEE CEMENT COMPANY

PURCHASE REQUISITION

TO: - PURCHASING DEPARTMENT

REQUIRED FOR *Shop*

DATE *Feb 12* 1961

CHECK ONE:

☐ PRODUCTION MATERIAL ☒ EXPENDABLE MATERIALS ☐ TOOLS ☐ WANTED *2-24* 1961

☐ SPARE PARTS ☐ MAINT. ☐ CAPITALIZED EQUIPMENT ☐ OTHER

| Item | Dundee Part No. | Quantity | DESCRIPTION | Unit Price | TOTAL PRICE |
|------|-----------------|----------|-------------------------------|------------|-------------|
| 1 | 03000 | 700 | 1/4-20 x 1/2 <i>Steel Cap</i> | 50¢ | |
| 2 | 03002 | 300 | 1/4-20 x 3/4 <i>Do</i> | 50¢ | |
| 3 | 03004 | 100 | 1/4-20 x 1 <i>Do</i> | 55¢ | |
| 4 | 03032 | 500 | 3/8-16 x 3/4 <i>Do</i> | 95¢ | |
| 5 | 03033 | 100 | 3/8-16 x 7/8 <i>Do</i> | 1.05 | |
| 6 | 03034 | 800 | 3/8-16 x 1 <i>Do</i> | 1.10 | |
| 7 | 03040 | 100 | 3/8-16 x 3 <i>Do</i> | 2.25 | |
| 8 | 03041 | 100 | 1/2-13 x 1 <i>Do</i> | 4.00 | |
| 9 | 03049 | 300 | 1/2-13 x 1 1/4 <i>Do</i> | 2.70 | |
| 10 | 03050 | 700 | 1/2-13 x 1 1/2 <i>Do</i> | 2.50 | |
| 11 | | | | | |

THE METHOD: Honor system at Dundee permits vendor salesmen to write purchase order (above), give it to Purchasing for formal OKAY.



THE MAN: D. G. Shanks, purch. dir., inaugurated honor system.

Honor System Proves Profitable For Purchasing at Dundee Cement

(Continued from page 1)

pliers shoulder the burden of inventory control, order-writing, stock maintenance and counting, and carry Dundee's MRO inventory, too. They are on their honor to charge competitive prices, keep stocks at best operating levels, and act in Dundee's interest.

So far their record is excellent; in the past year only two vendors have failed to meet these standards, and Dundee has received

the benefit of competitive price reductions as well as less paperwork and inventory investment.

The new cement manufacturing firm needs \$400,000 worth of maintenance materials to back up a \$25-million automated plant, including the world's largest slurry grinding mill and the largest rotary drying kiln in America.

Maintenance items are divided into 11 categories, and Dundee guarantees one distributor salesman all the business in each category for six months. If performance is satisfactory, the agreement is extended for another six months. Only two vendors have been changed so far.

No More Than MRO Buying

This plan doesn't cost more than traditional MRO buying. If prices go down, Shanks feels that the saving will be passed on because of cordial vendor relationships and because the supplier wants to retain all Dundee's business in his product field. Price reductions in these commodities will probably be common to the entire industry, according to Dundee, and the firm has benefited several times from such price reductions. The vendor, however, cannot boost prices without first consulting Dundee.

The salesman must keep an adequate supply of his materials on the shelves, but it must not exceed a normal six-month supply as set by Dundee. In addition, the vendor must keep his shelves neat and participate in an annual inventory. The salesmen must also guarantee in writing that if Shanks declares any items surplus after his year-end inventory, they will be taken back by the supplier at full price.

Directly to the Shelves

When making a call the salesman merely signs in at the front desk and goes directly to the shelves where his goods are stored. He visually inspects the stock, checks the inventory level, and tidies up. Order forms are attached to the shelves and if the stock is low, the salesman writes a purchase order.

From the purchasing department the order is sent to the vendor, whose salesman retained a copy of the order he filed. Thus the order may be already packaged and ready to ship when the supplier receives the order from Dundee. The salesman does not unpack shipments, but when he visits the bins on his regular calls, he straightens them up, apparently just through the normal process of inventorying the stock.

The storekeeper warns purchasing if a particular stock is getting too low through unexpected use, and purchasing warns the vendor that the stock must be replenished.

The honor system is used for the purchase of those items Shanks has listed as expendable and general in scope and use. Special machine items and new materials are negotiated for by the P.A. himself. Dundee's eleven categories are: pipe and fittings, nuts and bolts, electrical hardware and lighting supplies, electronics and electrical parts, safety supplies and hardware.



Ordinary hydraulic fluid made from mineral oil is ignited by open flame. Torch is 18 inches from nozzle orifice.



Shell Iruis 902 Hydraulic Fluid, in the same test, refused to be ignited by 3000-degree flame.

BULLETIN:

3000-degree flame does not ignite Shell Iruis 902—the fire-snuffing hydraulic fluid that helps make factories safe from fire

Shell forced Iruis®902 Hydraulic Fluid through a .145-inch orifice at 1000 psi pressure. The Iruis Fluid was sprayed from the orifice and a 3000-degree flame thrust into the streaming fluid. Iruis was not ignited.

Read the advantages of economical Shell Iruis 902 and how it can protect your plant.

IRUIS 902 is the fire-snuffing hydraulic fluid that protects lives and equipment.

How Iruis works

Iruis 902 is an ingenious combination of oil and water. The water is encased in a film of oil. In technical terms, it is a 100% water-in-oil emulsion.

But unlike other emulsions, Iruis 902 has optimum stability. This is vitally important. It means that Iruis Fluid will retain its lubricating qualities far longer than unstable oils—and will not allow the water to separate out. Result: the water stays in the oil, ready to snuff a fire if needed.

Other advantages

1. Cools off systems. Because of its high rate of heat transfer and high

heat capacity, Iruis 902 can allow hydraulic systems to run cooler.

2. Resists thickening and thinning. The viscosity of Iruis 902 is tailored to protect pump parts during the entire working cycle—from cold start-up to hot, continuous operation.

3. Saves gaskets, packing, hose. Iruis 902 is gentle to nonmetallic parts as well as metal. It can be used almost anywhere that you'd use mineral oil.

4. Resists foaming. Iruis 902 does not hold captive air. If air is introduced, Iruis 902 quickly releases it.

5. Easier to spot leaks. Iruis 902 is bright yellow, helps you spot leaks quickly.

For complete details about changing over to Shell Iruis 902, contact your nearest Shell Industrial Products Rep-

resentative. Or write: Shell Oil Company, 50 West 50th Street, New York 20, N. Y.

A message to manufacturers of hydraulic equipment

Shell Iruis 902 makes an excellent initial fill.

1. It is available anywhere in the U.S.A.
2. Quality of Iruis Fluid is consistently high. It must meet strict Shell specifications.



A BULLETIN FROM SHELL
—where 1,997 scientists are working to
provide better products for industry.

White Collar Payrolls Cited in Labor Cost Pinch

New York—Labor analysts are pinpointing mounting white collar payrolls as the "hidden" factor behind most of today's labor-cost squeeze. To support their argument, they cite a phenomenal 64% spurt in white collar wages, which has more than offset industry's savings from gains in manufacturing productivity.

One top business economist has a neat way of dramatizing what he calls the "white collar" effect. He calculates what unit labor costs would have been without any white collar increase—and then compares his results to the actual increase in unit labor costs.

"Take the hypothetical example of no addition to white collar staffs since 1947," this expert says, "and you come up with a surprisingly stable unit labor cost figure over this period. True, production worker wage rates have gone way up, but they have been almost completely offset by a similar rise in output per production worker (productivity).

Unit Labor Costs Rise

"Now compare the above to actual result. The additional expense incurred by a 64% increase in white collar employment pushed actual unit labor costs up a sharp 28% from 1947. That's more than 2% a year."

Some labor analysts are quick to point out that this "2% plus" figure is very close to the average annual increase noted for general industrial prices. They feel this is no coincidence—and voice the opinion that a good deal of the recent inflation can be traced back to rising nonproductive labor costs.

The gain in white collar workers, of course, has in many ways been made necessary by (1) increased complexity of production processes; (2) stepped up emphasis on research and development; (3) need for more record keeping; and (4) growing emphasis on marketing rather than production.

"It would be inconceivable," the president of one large firm said recently, "to do business with the same number of engineers, clerks, and accountants as we had a decade ago. It just couldn't be done."

Cost Cutting Rose

But that's not to say firms are resigned to the continuance of a huge white collar growth pattern—one which has averaged out at about 5% a year. Recession and dwindling profits have intensified cost-cutting efforts in this area.

Many firms, for example, are investigating the possibility of "letting out" more of their clerical work.

Some companies are buying machine time on a fee basis from outfits that have unused computer time on their hands.

There's also a trend to farming out more of the essential research and development work—thereby cutting down on over-all engineering payrolls. This idea has grown so fast that the Small Business Administration recently thought it important enough to issue a listing of firms. The listing was called: "Research and Development—A List of Small Business Concerns Interested in

Performing Research and Development."

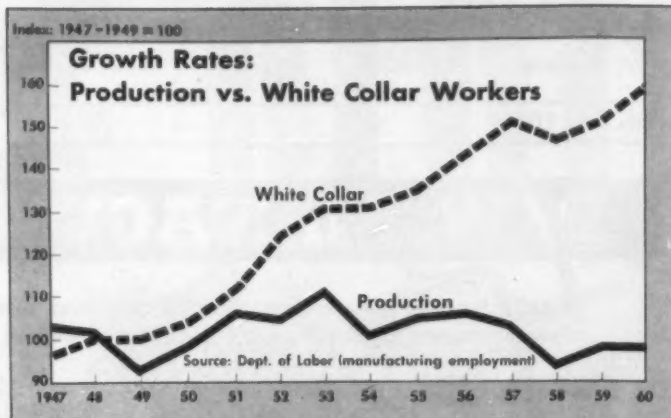
Even if these moves prove successful, it's doubtful whether they can reverse the trend which has changed the labor mix so drastically in the past 13 years. (According to Labor Department data, white collar workers now make up 25% of manufacturing firms' payrolls—compared to only 16% in 1947.)

Besides the continuing push toward greater complexity and red tape—there's a psychological factor at work to maintain

the ranks of white collar workers, even during recessions.

Current unemployment figures amply demonstrate the reluctance of employers to part with so-called "luxury" workers. Despite dwindling sales and profits, white collar unemployment is relatively low. For professional and technical workers it's about 1.6%. For clerical it's under 4%.

Compare that to the factory worker category. Machine operator unemployment rate is up close to 9%. For nonskilled workers it's above 15%.



SPECTACULAR CLIMB: Postwar growth of white collar employment contrasts sharply with comparatively even tenor of production ranks.



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P/W MANAGEMENT MEMOS

A collection of timely tips, quotations, and inside slants on management and industrial developments, along with a run-down of events and trends of use to the purchasing agent.

On Choosing a Consultant

Managers who are reluctant to call in a consultant simply because they feel it's a confession of weakness or incompetence to do so may be depriving themselves of a valuable industry tool, warns L. O. Hite, writing in the Atlanta Economic Review.

After all, says Hite, the management function today is becoming more generalized than ever—it consists largely of planning, coordinating and policy making—and as a result it's no longer feasible for the manager to concern himself with the highly specialized problems that properly fall within the province of the trained consultant. Moreover, the consultants have developed a host of new specialties—operating research is one—in fields that weren't in the books when today's top managers were in the classroom.

Once you have made up your mind to use a consultant the trick is to find the right one for your needs, and having done so, get your money's worth.

For managers who are about to take their first flyer in the field, Hite has this warning: Don't expect the impossible. The consultant is not a miracle worker, but he can throw valuable light on matters that fall within his scope. Once you've absorbed this bit of counsel, Hite suggests that you follow a plan of action along these lines:

- **Choose from past performance.** Best way to find the consultant for your particular job is to look into the record of his firm and the outcome of his past assignments.

- **Be specific.** The client should always define his objectives, problems, or projects as clearly as possible and present

them to the consultant before any commitment. It avoids misunderstandings.

- **Pave the way.** To prevent friction from the introduction of an outsider, prepare the company for what's coming. If possible, have company personnel work with the consultant.

- **Follow up.** When the consultant completes his work, it is management's responsibility to learn the details, methods of implementation, and provision for follow-up. Most consultants prefer return calls to see how a newly established program is working.

The Inner Circle

A new booklet published by the First National City Bank of New York aims to clear up some of the confusion surrounding the names of such recent-vintage organizations as: Organization for European Economic Co-operation (OEEC), the European Economic Community (EEC), or Common Market, or simply the Six; European Free Trade Assn. (EFTA), or Outer Seven; General Agreement on Tariffs and Trade (GATT), and International Monetary Fund (IMF). The booklet called "Europe Today," discusses the relations of these organizations to each other and a number of other matters of interest to firms doing business with European suppliers. It's available free from First National City Bank, 55 Wall St., N. Y. 15, N. Y.

Short Pointer

Prescription for tension-ridden executives: an office with a padded wall and assorted equipment where a man can chin himself, ride a stationary bicycle, use stretch bars, and bang the wall with his fists whenever he gets into a stew. Such an office is an ideal escape hatch for the harassed manager who wants to blow off some steam, says the Midwestern physical fitness expert who designed one.

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EDITOR Edgar A. Grunwald

Managing Editor John M. Roach

News:

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PURCHASING PARADE

Personal glimpses of P.A.'s as they march by in the news



Does a woman's basic training in supermarkets and bargain basements make her a "natural" for the P.A. profession? On the basis of the experience of the two newsworthy ladies above, the answer is both "yes" and "no."

The "no" portion is that the relationship between complicated industrial goods and canned tomatoes is just about zero.

The "yes" part is that a woman's patience and personality are major assets. Here are some timely notes on the two subjects of these observations:

- Above (left) is P.A. Helen F. Tarr of Schaeffert Engineering Co. (Camden, N. J.) who believes that "a more personal basis with suppliers has done more for getting material in a hurry than the straight line of business that men use. Vendors appreciate a relaxed and humorous approach."

As for the power of a woman's tears, Miss Tarr points out, "Things haven't got that rough yet."

- Here's a silver-gray, fashionably dressed, bridge enthusiast — Mrs.

Dorothy Ohr (right)—whose conversation these days has been sprinkled with such unfeminine terms as "end caps," "yokes," and "housing," for she's the Castings Buyer for the Norwood, Ohio, works of Allis-Chalmers Mfg. Co. where she operates with the ease of an expert in the muscular, masculine world of electric motors and frames.

Mrs. Ohr moved into her unusual position almost a year ago after 18 years of clerical at Allis-Chalmers. She went to work when her husband—also a buyer—entered military service in World War II, developed a keen interest in her work and decided to make a career of it.

Mrs. Ohr is still periodically reminded, however, that it's a man's world she's working in by the mail that shows up regularly addressed to Mr. D. Ohr.

- William J. Matthews, new Director of Purchases of Falstaff Brewing Corp. (St. Louis, Mo.), started in the business right at the bottom.

Shortly after his promotion, Matthews had occasion to recall the good



old days when he worked as a "soda-jerk" and delivery boy for the Glaser Drug Store chain in St. Louis when he received a letter from the company president. It read in part: "Reading about your success brought back a great many memories. Your speed on the bicycle did not really tell me you would get as far as you have. Congratulations."

A past president of the P.A.'s Assn. of St. Louis, Matthews still serves on its advisory committee and high among his other interests are his 13-year-old son, Terry, and golf. He recently fitted the boy out with a set of junior-size clubs looking to the day when the two of them can participate in father-son tournaments.

- There's no holding this P.A. down: George C. Mercer, recently retired Director of Purchasing for P. R. Malory & Co., Inc. (Indianapolis), just couldn't settle down to full-time fishing and golf after almost 30 years with the firm. He's now Comptroller at Superior Sheet Metals, Inc. (Indianapolis).

What figure do you consider a good inventory turnover yardstick?



W. C. Gretsches, Jr., manager of purchases, Warner-Lambert Pharmaceutical Co., Morris Plains, N. J.:

"Measuring the amount of inventory on hand in terms of length of time it will last before exhaustion, a good yardstick would be an average of six times a year for all raw materials and production supplies. However, I believe this method is not as good as one which uses total manufacturing inventory against net sales. In the pharmaceutical industry the average is 12% inventory to net sales ratio."



T. R. O'Connor, general purchasing agent, North American Aviation, Columbus Div., Columbus, Ohio:

"About six times a year is a good rate for our industry. This may seem somewhat high, but finished components and work in process are not carried in inventory nor do we buy speculatively. This rate is considered good as investment in our inventory is relatively low and obsolescence—which can be a real problem in the fast changing aircraft and missile field—is minimized. The inventory adequately supports production with very few shortages."



J. G. Robinson, director of procurement, McLean Engineering Laboratories (cooling devices for electronic equipment, etc.), Princeton, N. J.:

"High turnover means lower investment, maintenance costs, and less risk of depreciation. Low turnover means lower purchase prices, acquisition costs, and unit manufacturing costs. Out of pocket expenses of keeping an inventory are some 2%-2½% per month, resulting in management usually pushing for low inventories. My experience is management expects three to six turnovers yearly."



Z. M. Palumbo, purchasing agent, Ohio Rubber Co., division of Eagle-Picher Co., Long Beach, Calif.:

"It is a known fact that the percentage of return on capital invested determines the successes of any business. We also know 'dead wood' will not grow. A long term inventory turnover, therefore, may well compare to surplus dead wood. Through years of experience and statistical records, I have concluded that maintaining an inventory target of 125% of the previous month's dollar sales is a quite favorable yardstick."



J. N. Fogel, purchasing agent, Cumberland Engineering Co., Inc., (granulating machines for plastics), Providence, R. I.:

"We do not have an established figure for our inventory rotation. However, there are many factors to consider were such the case. Availability of special materials and lead time required for processing of special components would result in a lower turnover figure. On the other hand, readily available materials and stock parts, which could be delivered more promptly, would tend to increase the turnover figure."

NEXT WEEK—MARCH 13

Six purchasing men answer this question:

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Japan Boosts Prices of Cold Rolled Steel Sheet

New York—The Japanese increased cold rolled steel sheet prices by \$3/ton—the latest in a series of price rises that have hit world steel markets.

"It's sheet now," said one Japanese importer, "but the tendency is growing to raise our prices up and down the line." The trend is expected to include the wire nails, and reinforcing bars that are much more in demand here than Japanese sheet.

The prospect of steel bargains from Europe is also slim—and probably will remain so for

a number of months to come.

"We're really hurting," said one large importer of West European steel. "The terrific demand for steel—especially among the European Economic Community (EEC) nations—has sent prices up to where Americans just aren't interested in buying any more."

The American market is of minor interest right now to European steel producers. Demand from South American and the Near East takes care of most of the production not used inter-

"Freight is cheaper to South America than to the U.S. from Europe," commented one trader, "and it's often cheaper than from the U.S. to South America."

Japanese steel is more concerned with U.S. customers, but booming demand from India and Southeast Asia is putting starch into their tags.

"What's more," said one Kinoshita & Co. trader, "we feel very optimistic about the outlook for American demand because of the vigor shown by the Kennedy Administration."

Government P.A.'s Join City Attorneys In Mapping Antitrust Damage Suits

Washington — Governmental purchasing agents and municipal attorneys formally joined forces last week in digging out data for preparation of damage suits against electrical equipment firms involved in the recent antitrust cases.

The board of directors of the National Institute of Governmental Purchasing, Inc., agreed to cooperate fully with the National Institute of Municipal Law Officers in ferreting out bid in-

formation on electrical equipment.

Here's what resulted from meetings here Feb. 23 and Feb. 24 of city law officers and P.A.'s: The city attorneys appointed an eight-man task force to draw up plans for filing suits; hit upon a uniform format which cities, states, and other public bodies will use to report bid information, and discussed the possibility of drawing up one big consolidated suit to combine damage claims of all public bodies except the federal government.

Governmental Purchasing Association officials urged P.A.'s from cities, states, counties, boards of education, special authorities and districts to prepare "detailed documentation" on electrical equipment purchased from 1951 to 1960 and turn this information over to the law officers' task force.

Long Process Ahead

Thus the wheels began to turn in what will undoubtedly be a long and complex process by state and local governments in claiming damages for the price fixing conspiracies. Nobody has yet come up with any precise figures about how much claims will be, but estimates for Chicago alone run as high as \$5-million, and David Berger, Philadelphia city solicitor says his city's claim will amount to "several millions of dollars."

The 29 companies involved managed to avoid having the charges aired in open court by entering pleas of guilty or *nolo contendere*. But if cities decide to press for claims beyond the guilty pleas, the companies would have to choose between going into court for a full-scale hearing on the merits of the charges, or negotiate out-of-court damage settlements.

Berger, a member of the law officers' task force, says: "We have no intention of being confined to areas covered by the guilty pleas."

However, John C. Melaniphy, president of the Municipal Law Officers and corporation counsel for Chicago, said no decision had yet been made about going after damages beyond the guilty pleas. "At the moment we're confining ourselves to the companies in the indictments and the materials mentioned in them," he says.

Cause Action

If the cities decide to file a consolidated suit, its purpose probably will be to establish a cause of action for damage claims—or proving a price-fixing conspiracy existed in equipment categories not covered by the guilty pleas.

Melaniphy indicated here he was not enthusiastic about chances of settling damage claims out of court. He said his organization had not yet heard from any of the equipment companies and would not approach them. But he acknowledged that some city attorneys had contacted the firms to inquire about their "positions" on the indictments and price fixing charges.

Also in preparation were damage claims by the federal government.

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Industry News in Brief

Rome Cable Widens Line

Collegeville, Pa. — Rome Cable's T. J. Cope Div. has added underfloor duct to its existing line of cable trough and ladder. Formerly manufactured by National Supply Co., the system has been marketed as Sprang Underfloor Duct and Headerduct.

The Cope system, to be manufactured at the Collegeville plant, incorporates many design features and installation economies such as anti-corrosive finishes and square aluminum alloy junction boxes.

Corrugated Products

Chicago—Container Corp. of America will begin producing corrugated paper board packaging products in Houston for south Texas markets starting about May 1.

Container Corp. already operates a corrugated shipping container plant in Fort Worth and a folding carton plant in Arlington, Texas, in the Fort Worth area. The new Houston plant, the corporation said, will produce a complete line of corrugated products.

Telex Expands Line

Minneapolis—Telex, Inc., has broadened its product line to include electronic amplifiers and electrical and mechanical engine and generator controls through the acquisition of Lumen, Inc., Joliet, Ill. Lumen will operate as one of three sections of Telex's new Components and Controls Div. Other division sections are Aemco, Inc., a Mankato, Minn., manufacturer of relays and timers, and Ballastran, Inc., a Fort Wayne, Ind., producer of transformers and filters.

Monsanto 'Geospace' Domes

St. Louis—Monsanto Chemical Co. is planning to manufacture geodesic domes. Trademarked "Geospace," the dome-shaped structures will be marketed initially as ready-to-assemble units of Fomecor board panels coated for weather resistance. They are glued together at the site to form a self-supporting dome 22 ft. in diameter.

Hughes Forms New Dept.

Newport Beach, Calif. — Hughes Aircraft Co.'s semiconductor division has formed a new department to provide packaged assemblies from any customer-specified components. The department will offer customers a choice of components made by other manufacturers in addition to the complete line of transistors, capacitors, rectifiers, and diodes produced by Hughes Aircraft.

Erie Signs Pact

Erie, Pa.—Erie Resistor Corp. has signed an agreement to market electronic components pro-

duced by Tyco Semiconductor Corp., Waltham, Mass. Tyco products include gallium arsenide varactor diodes; silicon controlled rectifiers, and silicon power, intermediate power and small signal transistors. They will be sold through a system of franchised distributors at factory prices and in quantities of up to 999 pieces per item.

Fairmont Adds Furnace

Fairmont, W. Va.—Fairmont

Aluminum Co., a subsidiary of Cerro Corp., New York City, is installing a gas-fired annealing furnace with a capacity of 133,600 lb. at its rolling mill here. The new unit, which will be able to hold aluminum coils up to 73 in. wide, has a capacity more than four times as great as the company's present annealing furnaces. It is part of a \$10-million program designed to increase production capacity for coil and sheet aluminum from 25-million to 66-million lb. yearly.

Amoco Expands

Chicago — Amoco Chemicals Corp. has increased its facilities for producing polybutenes by 60% with the opening of a plant in Wood River, Ill. Used principally as caulks, automobile and refrigerator sealants, and intermediates for lubricating oil additives, polybutenes occasionally have been in short supply in the past.

American Felt Forms Div.

Glenville, Conn. — American Felt Co. has created a Filter Products Div. for developing and marketing nonwoven filters. One

of the nation's oldest and largest manufacturers of felt, the company also has produced for 60 years a wide variety of filters, including wool felts, Feutrol synthetic fiber felts, Windsor non-woven and fiber-bonded materials.

Bolt Plant Opening

New Orleans — N. J. Smith Bolt Co. will open a plant here March 10 to manufacture threaded rods and special bolts. It also will handle a complete line of machine bolts, carriage bolts, cap screws, washers and other types of industrial fasteners.



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Reynolds Metals Moves to Broaden Its Line of Insulated Wire and Cable

New York—Reynolds Metals Co. plans to increase production of aluminum wire and cable through the purchase of electrical conductor manufacturing equipment from John A. Roebing's Sons Div. of Colorado Fuel & Iron Corp.

A Reynolds spokesman said the move will enable the company "to offer a broader range of insulated wire and cable than any other manufacturer in the light metals industry." The equipment will be installed in a new plant, the site of which has not yet been determined, the company said.

The insulated wire which Reynolds will produce with the new machinery is widely used for underground installations as well as for above-ground work such as wiring in buildings. This move could pose another threat to the

copper and lead industries which some years ago lost parts of traditional markets when aluminum first entered the overhead power cable field.

At the same time, Reynolds said that it plans to put two 1,500-ton aluminum extrusion presses into operation at its Torrance, Calif., plant by mid-May. The company already has a rigid foil container operation and a Reynolds Wrap packaging unit at the location.

Housing Slump Sparks Pooling Plan in Miami

Miami—A group of Miami aluminum window and door manufacturers are considering proposals to standardize parts and establish a pooling arrangement to reduce individual inventories and other costs. They already have agreed to open their plants to inspection by each other to exchange production ideas.

The mutual cooperation plan, first proposed by Al Brenner of Superior Window Co., stemmed from mutual economic woes—declining sales and profits brought on by a housing slump. Most

of the firms involved are members of the Florida Aluminum Window and Door Manufacturers Assn.

Parts purchasing, product engineering, and plant supervision are the three key areas where the participating companies have agreed to work for an exchange of ideas. The idea of standardizing on parts has strong appeal because of the cost-cutting possibilities that could be worked out with suppliers if all firms agreed on similar specifications.

Also under consideration is a

pooling arrangement under which parts would be drawn by participating firms. This would reduce the necessity for large individual inventories and would open another area for manufacturing cost reduction.

The scheme, which began getting off the ground during the past few weeks, already has resulted in substantial savings for one member who watched a competitor's window-making operation and was able to reduce a two-man assembly line procedure to a one-man operation.

2 Ultrafast Transistors Developed for Computers By Texas Instruments

Dallas—Texas Instruments is marketing two ultrafast silicon transistors which perform switching functions in 24-billionths of a second. They are priced from \$8 to \$25 each, depending on quantity.

The devices are produced by the new epitaxial process developed by Bell Laboratories which confines the actual transistor function to the upper layers. The substrate serves only as a platform or handling mechanism to simplify manufacture. As a result, saturation resistance characteristics are virtually insensitive to changes in temperature.

The transistors were designed primarily for application in electronic computers but Texas Instruments expects them to be used also as small-signal, general purpose transistors.

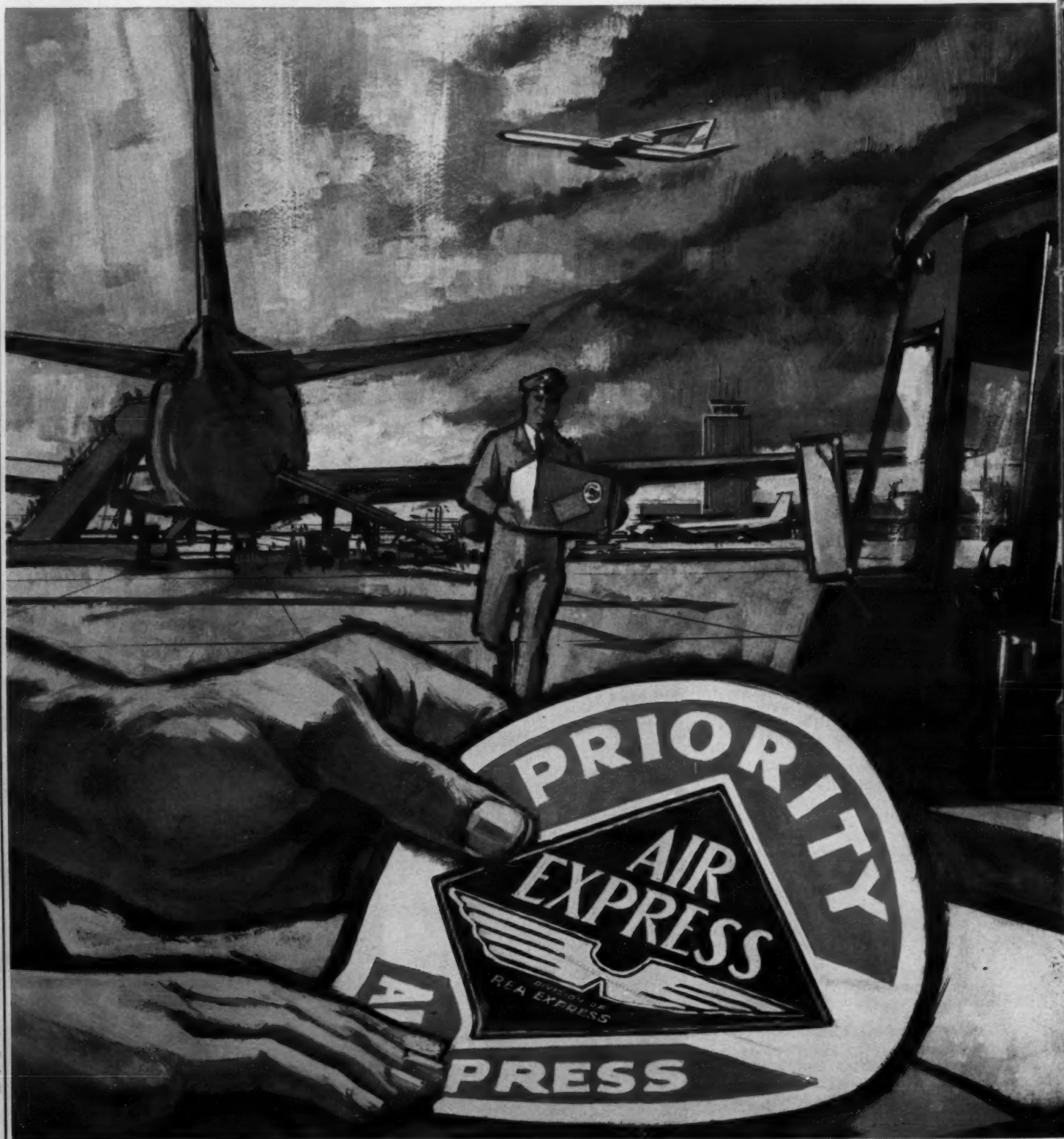
General Controls Ships 10 Tons in 1 Container

Glendale, Calif.—General Controls Co. recently made the largest single shipment in its 30-year history—10 tons of automatic controls in a single 8-ft. cube container.

The controls were shipped from Los Angeles to the company's West German subsidiary, General Controls GmbH. The plywood container was packed systematically so that it was not necessary to open individual cartons on arrival. Instead they were forwarded directly from the Dusseldorf headquarters to General Controls' wholesalers on the Continent.

Atlas Plans Merger

Wilmington, Del.—Atlas Powder Co. plans to branch out into the manufacture of pharmaceuticals by merging with Stuart Co., Pasadena, Calif. The consolidation already has been approved by the boards of both companies. Atlas and Stuart stockholders will vote on the proposal at annual meetings on April 25. Atlas now produces industrial chemicals and explosives.



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PHILADELPHIA PERSPECTIVE



P/W CORRESPONDENT JOHN MOORE

Focuses a Purchasing Spotlight

On the Middle Atlantic Area

Water experts are keeping a watchful eye on the bold ambitious water conservation program now taking shape in the highly industrialized Delaware Valley. If successful, it might well prove to be a pilot program that will answer a riddle which has

been plaguing densely populated industrial areas—how to slake their thirst for what is now becoming one of industry's most precious commodities.

Although the program is still in the talking stage, it's been brought a step closer to reality by the drafting of an unusual interstate-Federal compact, which bears the signatures of governors of Delaware, New Jersey, New York, and Pennsylvania along with that of a representative of the U. S. government. Now the respective state legislatures and the U. S. Congress must endorse the pact.

Once all the red tape is out of the way, the proposed agency will signal the start of a \$500-million-plus program to harness the Delaware River and its vast watershed to insure a steady supply of water to the entire industrial complex along its banks.

The agency will finance and build dams, reservoirs, hydroelectric plants, pipelines, and aqueducts. It will set standards for water treatment plants, pumping stations, sewage treatment plants, mains, pipelines that come near streams and sewers. It will

regulate and coordinate construction and water-intake projects of federal, municipal state and private groups.

Industry will be asked to pay a "fair share" for the improvements, according to the Delaware River Basin Advisory Committee. The new agency will be authorized to assess water users, including public and private water systems.

Will industrial firms mind paying their own way? "No indeed," answers a large petroleum complex that draws from the Delaware. "Not if it means that there'll be plenty of clean water all year 'round—and that eventually our treatment costs will be lower."

Transportation experts here say tank-trailers soon will be moving piggyback from New England through to St. Louis despite the fact that previous attempts to move highway shipments of liquid products on rail cars have had several roadblocks. But railroad shipping experts here believe the difficulties—rates, technical, and trucker opposition will be solved.

The Chicago and Northwestern line is reported moving chemicals on highway truck-trailers via piggyback, and the Pennsylvania Railroad also is understood to be readying its own tank-trailer piggyback program. One of the largest chemical companies headquartered in the Philadelphia area is pushing for national acceptance for the tank-trailer piggyback concept.

An intramural battle is shaping up in Pennsylvania between coal and petrochemicals. This state has been a battleground for the two industries ever since oil began taking coal fuel markets away. Now, thanks to the development of several new processes, petrochemical firms expect to step up their production of "coal chemicals" at a time when the output of the real coal chemicals (which are tied to steel production) is way down.

One of the new processes was developed by Houdry Process Corp. to produce benzene. Other processes being looked into by two Philadelphia petrochemical producers are also expected to boost the output of aromatics, such as xylene, toluene, and naphthalene. All these chemicals are traditional by-products of coke oven production.

Shoptalk: Tool vendors at a local hardware show stressed this observation: Craftsmen are buying fewer and fewer of their own tools. In most cases, the P.A.'s buy the tools; in some cases, the craftsmen buy them and are repaid by the company. . . . Redevelopment of urban areas here is causing some businessmen to revise their thinking about "housing starts" as an important economic indicator. Reason: Rebuilding of old homes is swinging upward at near the same rate local housing starts are moving downward. . . . The head buyer for a Pennsylvania utility reports his department no longer will pay premium prices for "name brands." "We're talking to every salesman we can," he says, "whether the firm is large or small, well-established or brand new."

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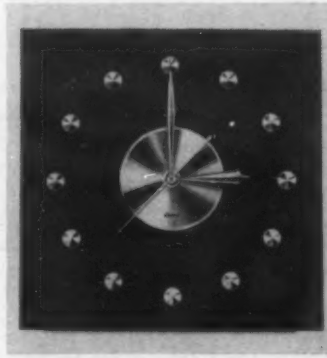


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Wireless transmitter operates off battery and has a range of from 40,000 sq. ft. to 300,000 sq. ft., depending on the layout of the premises. The setup provides for speech or coded signal to a total of 15, 5-oz. pocket receivers. Operating costs are under 5¢ a day, and no radio license is required.

Price: \$445. **Delivery:** immediate.
Multitone Electronics, Ltd., 130 Merton St., Toronto, Ont. (PW, 3/6/61)



Electric Clock

Fits Into Junction Box

Electric wall clock will fit into standard, 4-in., octagonal junction box built into remodeled or newly constructed walls. Metalwork is available in a bright brass, antique black, or spray gold finish. Hour markers come as half-oval bars or buttons for arrangement in circle, square, or rectangle.

Price: \$12.95. **Delivery:** immediate.
Sessions Clock Co., 65 E. Main St., Forestville, Conn. (PW, 3/6/61)

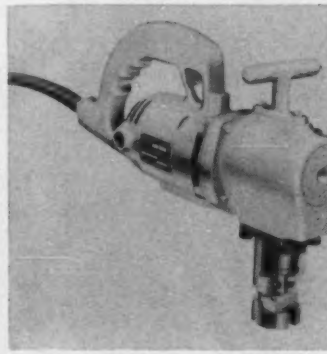


Folding Chair

Has Separate Seat Fold

Folding chair, with independent seat fold, remains standing when the seat is up. Full-length arm rests are cushioned (as are seat and back) with foam rubber and covered with 14-gauge brown vinyl. Steel tubing is finished in beige enamel.

Price: \$33.25. **Delivery:** approx. 3 wk.
Howe Folding Furniture, Inc., 1 Park Ave., New York 1, N. Y. (PW, 3/6/61)



Nibbler

Cuts 8-Gage Steel

Nibbler, operating on a punch-and-die principle, punches small, rectangular pieces of metal as it is fed along, leaving a smooth edge. It operates at 1,000 strokes per min., no load; 600 strokes per min., rated load. It cuts mild steel up to 8-gage, and copper up to 3/16 in.

Price: \$330. **Delivery:** immediate.
Black & Decker, Towson 4, Md. (PW, 3/6/61)



Outdoor Lamp

Turns Itself Off and On

Outdoor lamp with photoelectric cell turns itself on and off as existing light varies. Fixture parts are aluminum and stainless steel, and engineered for use with incandescent or mercury-vapor lamps. The light mounts on poles or walls.

Price: \$51.35. **Delivery:** 2 to 4 wk.
Holophane Co., Inc., 342 Madison Ave., New York 17, N. Y. (PW, 3/6/61)



Glass Block

Shades Light

Smooth-faced, 8-in. block is made of aqua-colored glass to shade transmitted light with a blue-green tone. Convex ribs on both interior faces serve to obscure vision while adding a decorative effect.

Price: 91.5¢ each. **Delivery:** immediate.
Owens-Illinois Glass Co., Owens-Illinois Bldg., Toledo 1, Ohio (PW, 3/6/61)



Airless Pump

Works All Conventional Paints

Five-gal. capacity pump with 26-1 ratio handles all conventional paints, using a standard airless gun fitted with medium protection caps. It will operate with air pressure produced by as small as a 1-hp. compressor. An air motor operates a chromium piston in a stainless steel tube.

Price: \$192.50. **Delivery:** immediate.
DeVilbiss Co., Toledo 1, Ohio (PW, 3/6/61)



Masking Tape

Comes in Dispenser

Masking tape is applied directly from the dispenser package, which has a serrated cutting bar. Sixty-yard lengths of tape are packed in 1/2-in., 3/4-in., or 1-in. widths on a free-wheeling roll in the hand dispensing package.

Price: \$1.02 (1/2-in. roll) to \$1.55. **Delivery:** immediate to 1 wk.
Johns-Manville, 22 E. 40th St., New York 16, N. Y. (PW, 3/6/61)

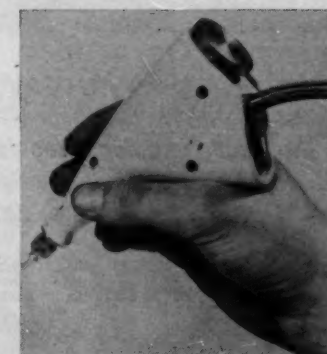


Plaster Compound

Resists Corrosion

Epoxy resin compound is formulated for vertical application to almost all masonry structures. One coat leaves a waterproof finish that protects against corrosion, and high chemical resistance permits its use for coating industrial tanks.

Price: \$11.40/gal. (5 gal. containers). **Delivery:** 2 to 3 days.
George E. Fines, Inc., 18640 Wyoming Ave., Detroit 21, Mich. (PW, 3/6/61)



Engraver

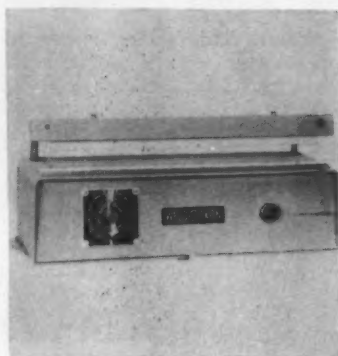
Identifies Parts

Vibratory tool with carbide point engraves permanent identification on parts, tools, etc. Control wheel adjusts for fine, medium, or coarse strokes on metals, tile, glass, plastics, ceramics, hard rubber, etc. The case is unbreakable polypropylene.

Price: \$12.95. **Delivery:** approx. 10 days.
Burgess Vibrocrafters, Inc., Grayslake, Ill. (PW, 3/6/61)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



Sealing Machine

Operates on Thermal Pulse

Machine for sealing polyethylene also works on saran, vinyl, and most thermoplastic films. The foot-operated unit comes in 16-in., 24-in., and 30-in. lengths and uses a thermal pulse principle for rapid heating and cooling action.

Price: approx. \$190 (16-in.). **Delivery:** immediate.

Weldotron Corp., 841 Frelinghuysen Ave., Newark 12, N. J. (PW, 3/6/61)



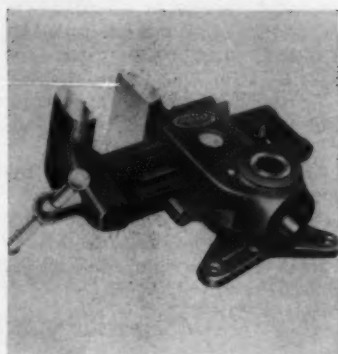
Welder

Has 15-180 Amp. Range

A.c. arc welder for medium-duty use has heavy wheels for easy mobility. A 15-amp. to 180-amp. range is covered in 15 steps. The unit's 80-v. open-circuit voltage allows welding with all types of electrodes from 1/16 in. to 3/16 in. in dia.

Price: \$149.50 to \$155.50. **Delivery:** immediate.

Metal & Thermit Corp., Rahway, N. J. (PW, 3/6/61)



Vise

Pivots on Base

Vise can be used upright, laid flat on either side, or placed at any angle. When not in use it can be removed from the base for storage, and can also be used with additional bases at several locations. Jaw width is 3 1/2 in.; depth, 2 1/2 in.; gripping area, 7 7/8 in.; and maximum opening, 5 in.

Price: \$14.95. **Delivery:** immediate.

Columbian Vise & Mfg. Co., 9023 Bessemer Ave., Cleveland, Ohio (PW, 3/6/61)



Funnel

Comes in Modular Sizes

Acid-resistant, polypropylene funnel can be sterilized by boiling or in autoclaves. An 18-oz. model has a 5-in. dia. top opening. The 2 1/2-oz. model has a 2 1/2-in. opening. Both can be fitted together (as shown) in a combination unit.

Price: 9¢ (18-oz. funnel in carton of 144) and 24¢ (2 1/2 oz.). **Delivery:** immediate.

Vlchek Tool Co., 3001 E. 87th St., Cleveland 4, Ohio (PW, 3/6/61)



Electronic Switch

Activates Lamp Automatically

Switch with photoconductive cell automatically activates an incandescent lamp of up to 1,500 w. It requires only a 1-in. knock-out for mounting, and turns a lamp "on" at about 1 ft. candle and "off" below 10 ft. candles. A 30- to 60-sec. time delay prevents reaction to momentary flashes.

Price: \$24.50. **Delivery:** immediate.

Lightguard Electronic Mfg. Co., 1213 St. Emanuel, Houston, Tex. (PW, 3/6/61)

This Week's

Product Perspective

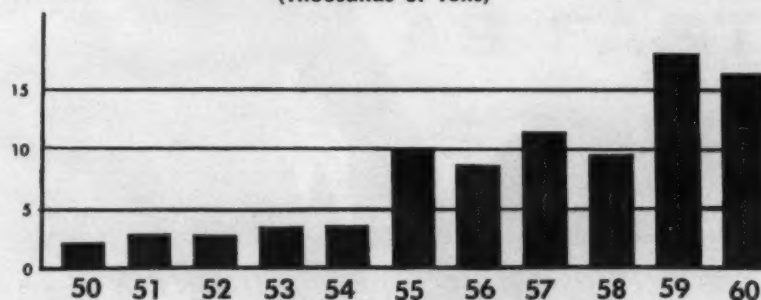
MARCH 6-12

POWDER METALLURGY proponents claim that the latest set of industry figures shows they are winning many new customers and keeping them. Statistics for '60 indicate that powder metal part production held up better than much of the metalworking industry. **Iron-base part production fell only 1% after a 58% gain in 1959, while nonferrous uses (largely self-lubricating bearings) were off only 6% after 21% growth the previous year.**

Powder metal parts are made by compacting metal powder in a die, then sintering the "green" part to give it strength. The process offers high precision, close quality control, wide range of properties, opportunity to combine materials, and self-lubrication. Powder metal techniques were first used to make "self-lubricating" bearings. The uniform powder structure acts as a reservoir, holding oil until it is needed.

Any high-volume small metal part that requires machining or surface finishing is a possible candidate for powder metallurgy. A recent survey found that 45% of small grey iron castings are required in quantities of over 5,000 pieces a year. This area alone offers a market potential more than 10 times today's total sales.

How Powder Metallurgy Production Has Grown During the Decade
(Thousands of Tons)



Source: Metal Powder Industries Federation

Researchers are busy finding new uses for powder metals and improving properties of parts. One area getting much study is development of new ways to fabricate powders into useful shapes by roll compacting, explosive forming, powder extrusion, isostatic pressing and continuous compacting. Parts fabricating techniques are being investigated to improve properties, increase maximum sizes and get more design flexibility. Other projects in the works: dispersion strengthening, alloy effects, combinations of metals and oxides in powder form, and coating powders.

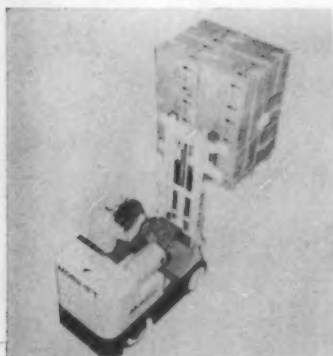
The government is interested in powder metallurgy techniques for space and atomic energy uses. Between \$1-million and \$2-million is going into studies in nuclear engineering. Main target is to use stainless steel powders to form reactor fuel rods. About \$500,000 is targeted for space research—primarily in investigating dispersion strengthening.

• **Direct conversion of powders into finished shapes is developing rapidly.** The world's first fully integrated plant for making copper sheet and tubing directly from copper powder will be going up shortly in the Philippines. Foster-Wheeler will build the plant, based on techniques developed by Chemetals Corp and E. W. Bliss. The plant will recover high purity copper powder from Philippines ore, convert the powder directly into sheet by rolling compacting, and then convert the sheet into tubing by thermowelding. It will handle 40 tons a day.

• **Much progress in using stainless steel powders was recorded in the past year.** Accomplishments included getting higher "green strength," better compactibility, and most important, the ability to sinter stainless parts in conventional powder metallurgy processing equipment. Previously, special equipment was needed. Now any parts maker who can sinter iron-carbon or iron-copper-carbon compositions can make parts from a number of standard AISI stainless alloys including 304, 314, 347 and 410.

• **Quality problems that plagued the industry during its infancy are said to be under control.** Lack of uniform production lost many would-be customers for many years. Now techniques have been engineered to the point where (if established procedures are followed) parts will be consistently easy to machine. In the past, one run might have machined well, while the next batch would wear down the tools at an alarmingly fast rate. **Improved sintering techniques and atmosphere** allow precise control of combined carbon assuring maximum physical properties on all runs.

• **Most powder metal parts are still bought on a contract basis.** At the last count only 21 companies were making their own parts. Sixty-nine manufacturers supply parts to industry. They are primarily located in the Northeast, with a few grouped on the West Coast. The contract manufacturers sold about 850 powder metal parts during '60. Production ran only about 50% of capacity and the industry estimates present capacity could produce over 2-billion parts a year by working three shifts.



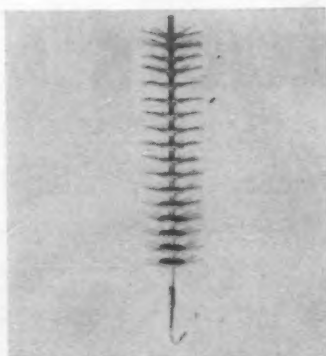
Fork Lift Truck

Has Rear Wheel Leveling

Automatic-drive truck has hydraulic, rear wheel, leveling suspension to compensate for floor level variance of as much as 3-in. slope. The mast lifts a 4,000-lb. load 130 in. Truck is available for LP-gas or gasoline fuels.

Price: Approx. \$5,500. **Delivery:** immediate.

Minneapolis-Moline Co., Hopkins, Minn. (PW, 3/6/61)



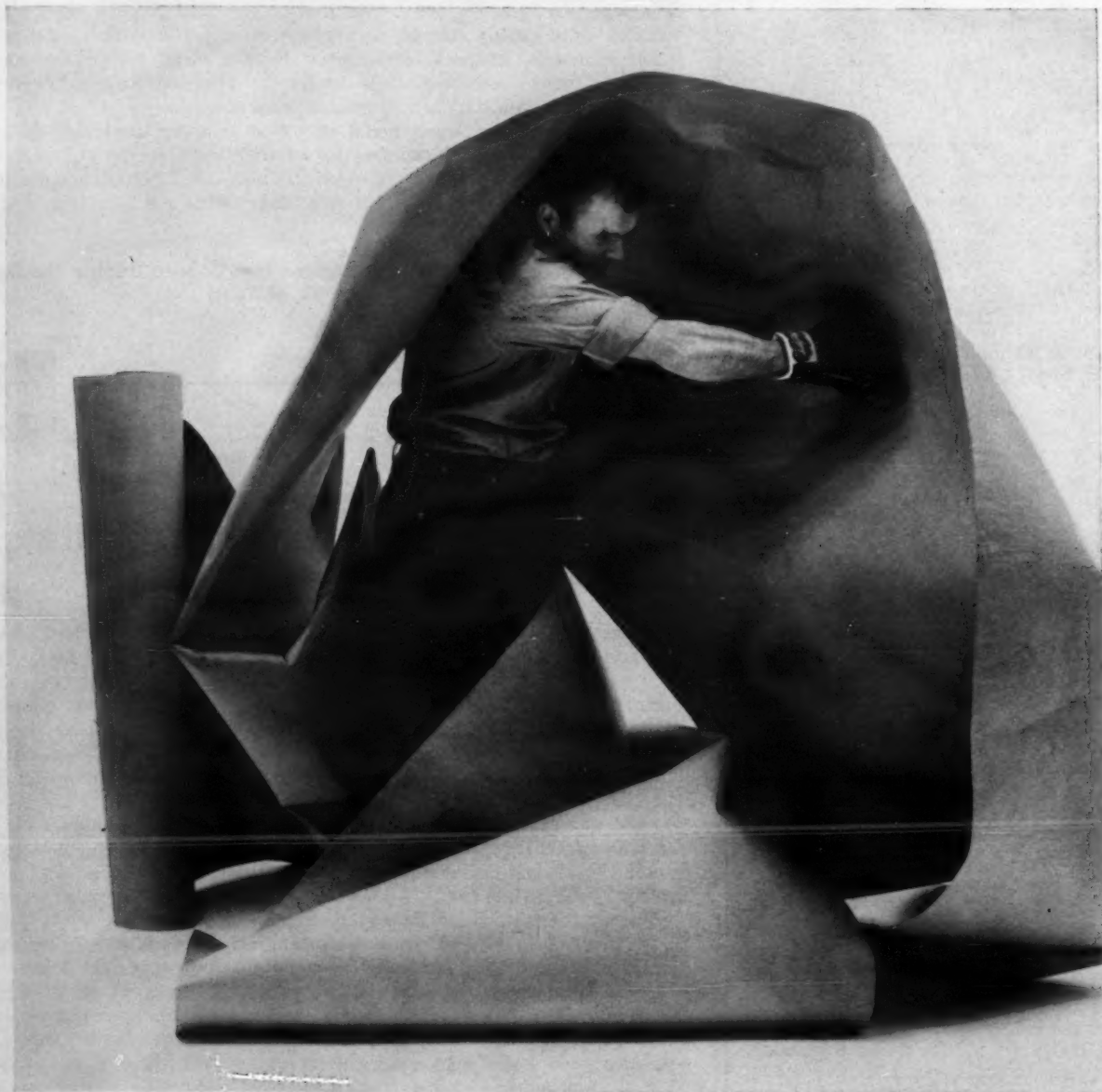
Anodizing Rack

Improves Conductivity

Anodizing rack's splines have aluminum cores for better conductivity and are titanium clad, virtually eliminating corrosion. The rack has a wide variety of adapters, pin strips, discs, and other accessories.

Price: \$40 to \$150. **Delivery:** immediate.

Continental Rack Co., 7001 Santa Monica Blvd., Los Angeles, Calif. (PW, 3/6/61)



REDUCE IN-TRANSIT DAMAGE, LOWER SHIPPING COSTS...WITH

A Paper You Can't Punch Your Way Through

Sisalkraft papers are tough . . . they resist tearing and puncturing . . . steel-like reinforcing fibers make them that way.

This line of packaging material keeps industrial products safe and dry during shipment and storage — provides protection against moisture, dust, abrasion and damage from rough handling . . . all at lowest cost. Many industries are saving money by packaging

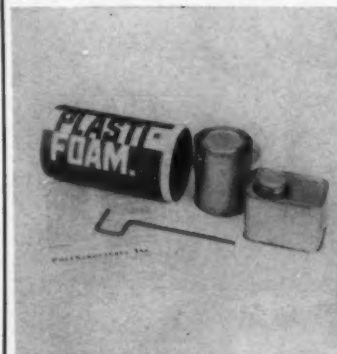
with tough, waterproof Sisalkraft papers. Various combinations are available to help answer special product protection needs . . . paper laminations, foils and plastic films. Among them: **Fibreen** — low cost asphaltic papers • **Seekure** — non-staining papers • **Pyro-Kure** — new non-combustible papers.

Contact your Paper Merchant or write American Sisalkraft, Attleboro, Mass., for more information.

*reinforced paper, foil, plastics &
other products for construction,
industrial packaging & agriculture*

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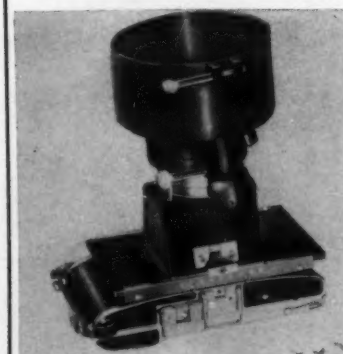
Self-Mix Kit

Makes Polyurethane Foam

Contents of kit, when mixed and poured into a mold of any material, produces about 1 cu. ft. of foam that can be tooled or painted. Ingredients can be mixed all at once or as needed. The foam is odorless and white but any dry color can be added.

Price: \$6.95. **Delivery:** immediate.

Polystructures, Inc., 41 Montvale Ave., Stoneham, Mass. (PW, 3/6/61)



Oscilloscope Camera

Records Nine Traces a Print

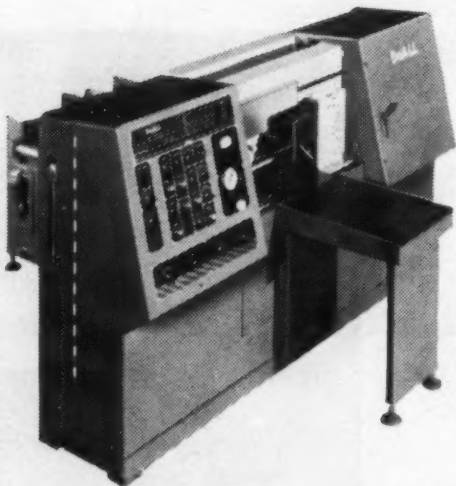
Trace-recording camera uses a Polaroid-Land camera back in a sliding mount that allows up to nine different trace exposures per print. All aperture, speed, and focus adjustments can be set without reaching through access doors or removing the camera from the scope.

Price: \$345. **Delivery:** immediate.

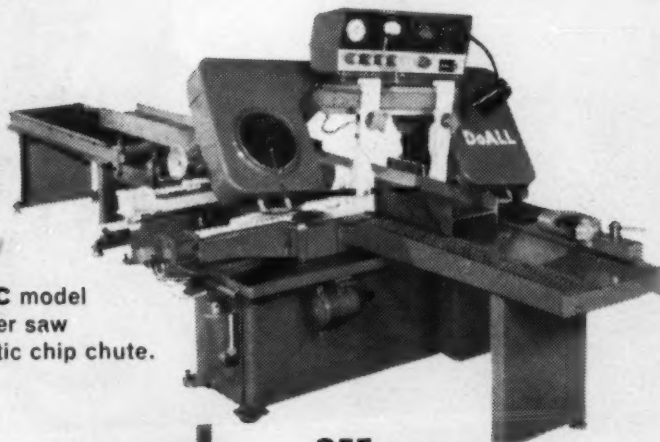
Electronic Tube Corp., 1200 E. Mermaid Lane, Philadelphia 18, Pa. (PW, 3/6/61)

Another
DoALL FIRST!

**NEW
SAW BLADE**
has
tungsten
carbide
inserted
teeth!



**Continental Production
Saw** for continuous,
heavy-duty cut-off
production—fully automatic.



**New C-70TC model
DoALL power saw**
with automatic chip chute.



**SEE
Demonstration
ASTME SHOW
New York—May**

DoALL Band Mill for
heavy-duty slabbing,
shanking, refacing, etc.—
two-ton capacity.

Your DoALL Sawing Specialist has a new
desk-side movie on tungsten carbide sawing.
Call him today.

CUTS TWICE AS FAST! TWICE AS MUCH!

Up to 35 sq. in./min. in 1018 C.R.S.

Resharpenable several times

It's another breakthrough by DoALL! The new
Tungsten Carbide* band and machines shown here
achieve fantastic performance in metal sawing.

For round-the-clock, faster cutting, this new band
machining team sets new standards in productivity.
This all-new blade combines the hardness of tungsten
carbide teeth with the toughness of spring-tempered
steel to give you the longest lasting, most heat-
resistant and fatigue-resistant materials ever used in
a saw band. Ground to dimension and sharpness,
tungsten carbide teeth are uniformly set for high
precision sawing. These new machines have the power,
rigidity, controlled speed and feeds to fully utilize
the cutting ability of tungsten carbide.

* Patent applied for

You Get These ADVANTAGES

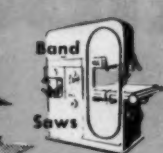
- Most accurate sawing ever attained
- Teeth with highest red-heat hardness
- Teeth that withstand tremendous abrasion
- Teeth ground sharp for fastest cutting rate
- Band beam strength for heaviest feeds
- Spring-tempered alloy band for longest flex life
- Greatest productivity and economy

Call your local DoALL Sales-Service Store for complete data on this phe-
nomenal saw band and demonstration on new Model C-70TC power saw.

The DoALL Company, Des Plaines, Illinois



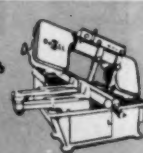
This is a
typical DoALL Store



Machines and Blades



Surface Grinders



Power Saws

MACHINE TOOLS



CUTTING TOOLS



MEASURING INSTRUMENTS



SHOP SUPPLIES

Call Your DoALL Sales-Service Store



Surfacing Compound

Ready for Traffic In 60 Sec.

Plastic flooring material is ready for traffic within 60 sec. after repairing or resurfacing. It is available in several grades for application to any type of surface, and withstands heavy industrial loads.

Price: \$2/gal. to \$2.80/gal. (55-gal. drum). **Delivery:** immediate.

Monroe Co., Inc., 10703 Quebec Ave., Cleveland 6, Ohio. (PW, 3/6/61)



Control Valve

Withstands 2,000 psi.

Directional control valve line handles 20 gpm., 30 gpm., and 40 gpm. in 1/2-in., 3/4-in., and 1-in. sizes. The heavy-duty line withstands 2,000 psi. and has differential pressure relief valves capable of by-passing full line capacities.

Price: \$15.79 to \$23.73. **Delivery:** immediate.

Century Engineering Co., Waukesha, Wis. (PW, 3/6/61)

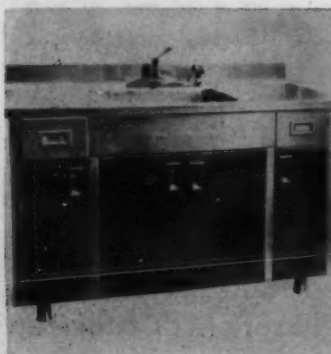
Laboratory Sink

Has Adjustable Legs

Stainless steel sink, 54 in. long, 25 in. deep, and 36 in. high, features adjustable legs. The single bowl is 20 in. x 18 in. x 7 1/2 in. The sink comes equipped with a pull-out spray hose and single-handle water-mixer faucet.

Price: \$790. **Delivery:** 2 to 3 wk.

Terriss-Consolidated Industries, 22 Wooster St., New York 13, N. Y. (PW, 3/6/61)



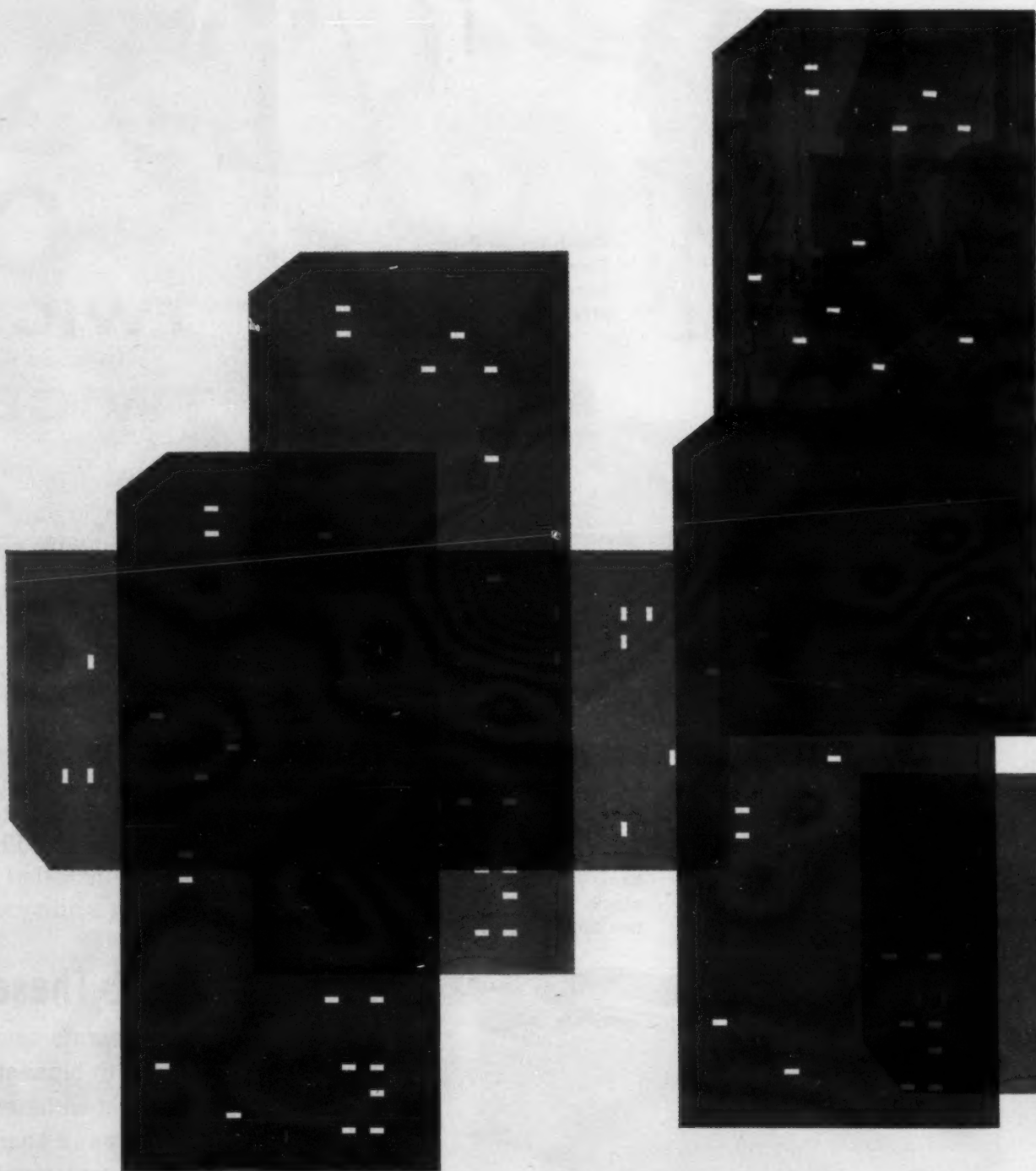
Grinder

Has Pistol Grip

Offset pistol grip on grinder permits accurate one-hand operation. A removable and adjustable handle is furnished for more difficult finishing. The tool has a 3-in. wheel capacity and a 3/8-in. spindle that turns at 18,000 rpm. An adapter for depressed center wheels is also furnished.

Price: \$135. **Delivery:** immediate.

Buckeye Tools Corp., 5003 Springboro Pike, Dayton 1, Ohio. (PW, 3/6/61)



BRIDGEPORT

Compressor

Has 15-Gal. Air Tank

One-half-hp. compressor with 15-gal. air tank comes ready for electrical connection. It has 2.7 cfm. displacement, 1.7 cfm. free air, 100 psi., and operates at 500 rpm. The 1/2-hp. motor is rated at 1,725 rpm., 115/230 v., 60 cycle.

Price: \$197.50. **Delivery:** immediate.
Dayton Electric Mfg. Co., Dept. PW-7,
126 S. Oakley Blvd., Chicago 12, Ill. (PW,
3/6/61)

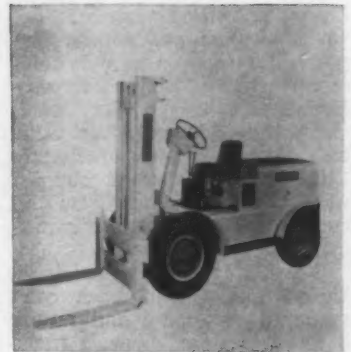


Fork Lift Truck

Has Power Steering

Three-ton truck with power steering has increased under-clearance (linkage has been inverted and tucked up under the truck for better protection). The exhaust system has a large muffler to reduce back pressure and give quieter operation. Turning radius is 28 in.

Price: \$6,570. **Delivery:** 4 wk.
Truck-Man Lift Trucks, 605 Liberty St.,
Jackson, Mich. (PW 3/6/61)



ARE YOU SOMEBODY'S ROUTINE CUSTOMER?

If "adequate but uninspired" describes the service you're now getting—and you feel that you're just a statistic in your supplier's sales files—here's a unique sales policy that should interest you: your Bridgeport salesman or deskman can *directly* contact our technical management or mills to get prompt and authoritative answers or action on your special problems whenever they arise. This means you can count on the same "Direct Line" service on aluminum sheet that Bridgeport has always given in meeting the exacting requirements of buyers of copper alloys. You'll like getting the answers you need.

Aluminum sheet is rolled to "special metals" quality by Bridgeport's modern mills at Warren, Ohio and Riverside, California. Well stocked Bridgeport Metal Service Centers provide quick local service in major metalworking areas nationwide. Bridgeport salesmen and deskmen offer a helpful objective service to metal buyers in the proper selection of aluminum, brass and copper alloys... call Bridgeport Brass Company, Bridgeport 2, Connecticut... offices in principal cities.

COILED AND FLAT SHEET: WIDTHS to 48", GAUGES 0.006" to 0.125"—**IN ALLOYS:** 1100, 1145, 3003, 3004, 5005, 5050, 5052, 5357, 5457, 5557... Bringing 95 years of metals experience to the production of quality aluminum.

**BRIDGEPORT
BRASS COMPANY**

ALUMINUM SHEET 

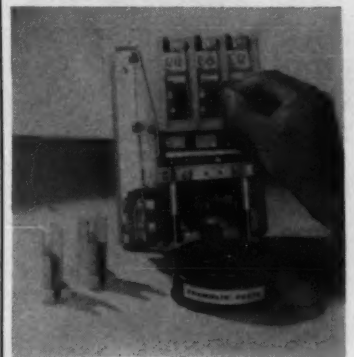
Cleaning Paste

Improves Electrical Contacts

Contact cleaner serves also as a preservative, lubricant, and anticorrosive agent. It forms a thin film and generally lasts from three to four wk. The paste improves contact transmission performance where high amperages and voltages are used.

Price: \$2.90 (1/2-lb. can). **Delivery:** immediate.

Caig Laboratories, Inc., 46
Stanwood Rd., New Hyde Park,
N. Y. (PW, 3/6/61)



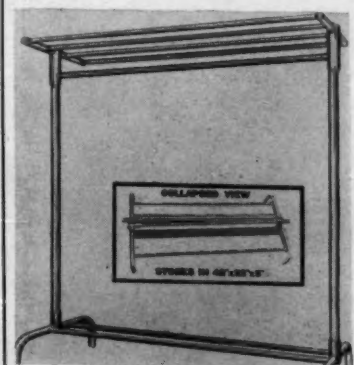
Wardrobe Rack

Disassembles in 20 Sec.

Wardrobe rack, which holds from 15 to 20 coats, takes only 20 sec. to fold for storage in a space of 42 in. x 22 in. x 5 in. The 42-in. long rack is made of heavy gage aluminum tubing, weighing only 8 lb., and supports a load of over 150 lb.

Price: \$21.50. **Delivery:** 1 wk.

Glaro Machine Products, Wart-
burg Ave., Copiague, N. Y.
(PW, 2/27/61)



Dempster Markets New Dump Truck

Knoxville — Dempster Bros., Inc. is marketing a new 30-cu. yd. truck equipped with a disposal system that automatically removes trash from Dempster containers.

The new loader-packer vehicle costs \$28,000, including \$12,000 for the truck chassis, which must be ordered by the customer from the truck manufacturer of his choice.

The old system required individual trips to haul each container to the dump and return it to its location. Now, a truck drives up to the container and

engages steel arms extending past the cab in channels on each of the container's sides. Without leaving the cab, the driver operates the mechanism which lifts the load above the truck, dumps it, and returns the container to its platform.

This is done in a minute's time while a packing mechanism compacts the trash load within the truck's body, letting a 30-cu. yd. truck handle as many as 120 cu. yd. of uncompacted material. The unit can also handle light scrap metal pickups such as borings or turnings.



SILENT PAGING: Radio signals the wearer through vibrations.

Oldsmobile Installs Paging System That Calls Employees by Vibrations

Lansing—Oldsmobile Div. of General Motors has installed a silent paging system that alerts only the individual on call, even in noisy areas.

The Vibacall system, which replaces a whistle-buzzer setup in the engine and final assembly plants here, uses noiseless vibrator-receivers worn on the belts or carried in the pockets of key supervisory personnel. To page an individual the operator at the message center transmits an assigned code signal which gently vibrates the receiver and alerts the contacted party to call in.

R. C. Oakes, equipment sales engineer of General Motors' AC Spark Plug Div., which developed the system, said, "The contact reliability of Vibacall (calls placed/calls completed) of 90% compares to 40% to 75% for loudspeaker or bell systems, depending on ambient noise level and quality of installation."

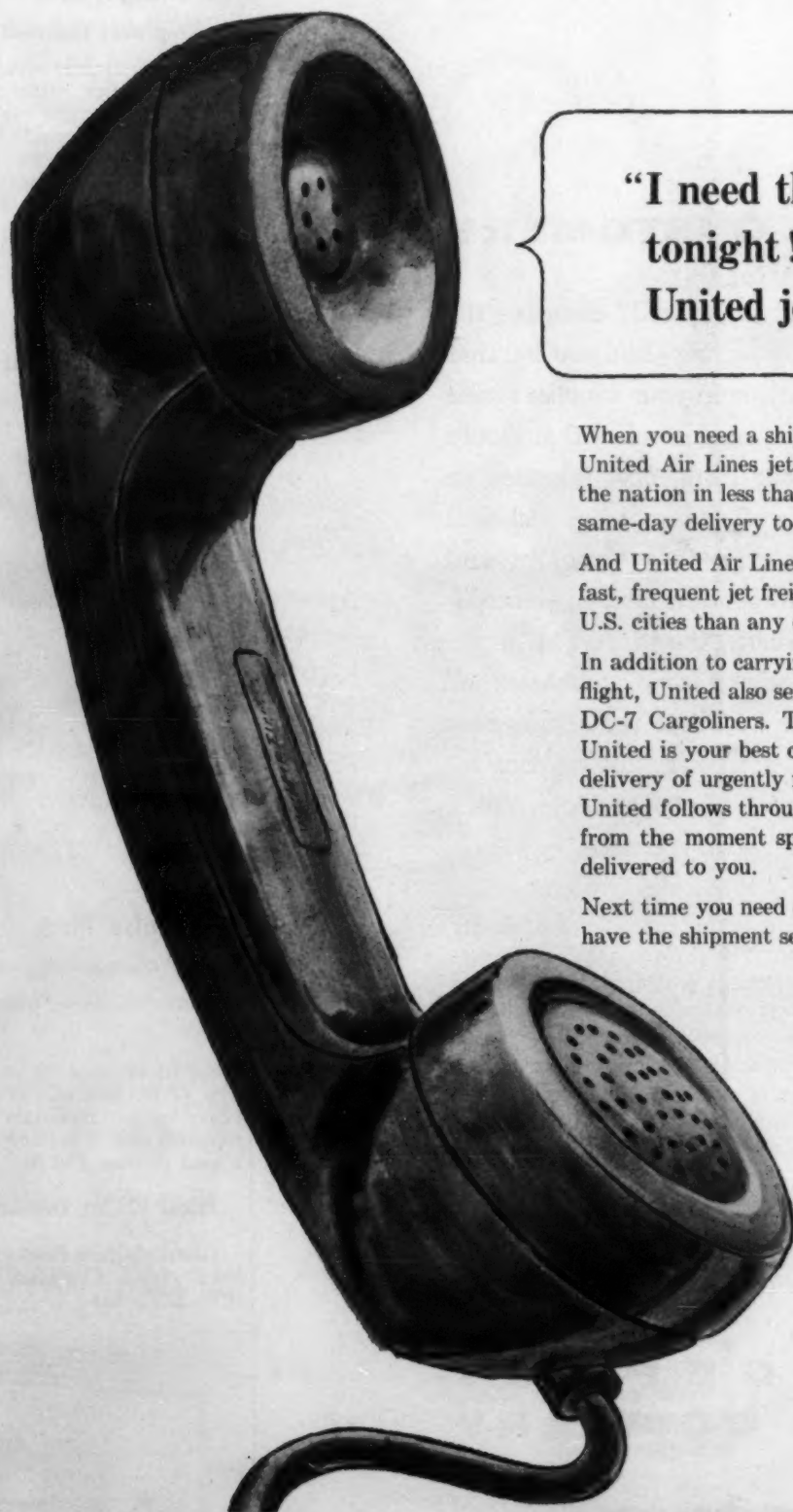
Additional advantages are:

- Direct and positive contact in areas where a buzzer or similar device would be a distraction or intrusion.

- Elimination of "tracing" phone calls to track down personnel.

- Elimination of unnecessary reference by personnel to visual paging systems.

Oldsmobile is covering an area of about 4-million sq. ft. with its installation. Two transmitters (one in each plant) and 32,000 ft. of loop antenna are servicing 52 receivers. Coders are available from AC Spark Plug for 56 and 240 channels, with a capacity of up to 180 calls per hour, priced at \$825 and \$1,095 respectively. A power amplifier costs \$325. Receivers are \$152.67 each.



"I need that shipment tonight! Send it United jet freight."

When you need a shipment in a hurry . . . specify United Air Lines jet freight. United jets can span the nation in less than five hours . . . providing same-day delivery to Main Line cities coast to coast.

And United Air Lines' growing jet fleet gives fast, frequent jet freight service to and from more U.S. cities than any other airline.

In addition to carrying freight on every passenger flight, United also serves you with a fleet of fast DC-7 Cargoliners. This total airlift is one reason United is your best choice for fast, dependable delivery of urgently needed shipments. Another: United follows through with your shipment from the moment space is reserved until it's delivered to you.

Next time you need delivery in a hurry . . . have the shipment sent United air freight.



Farrington Co. Develops Scanner That Can Read An Entire Printed Page

Needham Heights, Mass.—Farrington Mfg. Co. announced it has developed the first commercial, alpha-numeric optical scanner capable of reading an entire printed page. Prices of the new units range from \$95,000 to \$175,000.

The page reader, designated as Model 1P5P, scans routine business documents and translates the information into punched tape for further electronic data processing at the rate of 240 characters per second. Other optical scanning systems are capable of reading only one or two lines on a document such as a credit card, the firm said.

The 1P5P is available with either of two reading modes:

- **Auto-Skip** scans for grouped information on a page and ejects the paper at that point.

- **Full Scan** reads to the end of the entire page in search of isolated information before ejecting.

The page scanner takes documents of 8 in. x 10½ in. or 8½ in. x 11 in., and reads single- or double-spaced lines. It reads and translates typed or printed documents conforming to Farrington type specification #12H1 (a sans serif elite Gothic) which is widely used by business machine makers. The scanner can also read material in other types if it meets the character tolerances of the official type, but in these cases it is not governed by the odd-bit parity check exercised by the Farrington font.

The equipment is being produced by Intelligent Machines Research Corp., a Farrington subsidiary.

Profitable Reading for P.A.'s

New Books

Mathematics and Computers by George R. Stibitz and Jules A. Larrievée. Published by McGraw-Hill Publishing Co., 330 W. 42nd St., New York 36, N. Y., 228 pages. Price: \$2.25.

This publication explores the field of applied mathematics in business, placing particular emphasis on the ever-growing use of automatic computers. The authors discuss a wide range of topics, including the digital computer (how it works, and its capabilities and limitations), non-digital computing devices, use of randomness in computation, and typical applications of computing devices in technology and business. Of special interest is the explanation of the binary system, the language used by computers.

Dynamic Management in Industry, by Raymond Villers. Published by Prentice-Hall, Inc., Englewood Cliffs, N. J., 516 pages. Price: \$10.

This book covers the subject of management science and presents case studies to illustrate the various theories of organization. The author's analysis of such diversified activities such as purchasing, budgeting, and production planning, (and how they relate to each other) will be of special interest to purchasing agents.

The book focuses on dynamic management as it is used in decision making, customer's goodwill, human relations, organization efficiency, risk taking, and more. Case studies presented include those of DuPont, Bell Telephone Laboratories, General Electric, and U. S. Rubber.

Personal Aids

Tax Record and Appointment Book

Attractive daily appointment calendar doubles as record of tax deductible business expenses. Besides showing how to get the maximum allowance for deductible entertainment, travel and related expenses, it provides space for a complete record of the occasion and amount. The price of this 400-page book is \$5.95 and it may be obtained by writing to *Business Reports, Inc., The J. K. Lasser Tax Institute, Larchmont, N. Y.*

From the Manufacturers

Numerical Control Systems

Gives complete specifications, features and application data for company's line of numerical control systems. Also covered are accessories and a run-down on Bendix service contracts. Catalog No. 308 (16 pages). *Industrial Controls Section, Bendix Corp., 21820 Wyoming Ave., Detroit 37, Mich.*

Delrin Resin

Contains up-to-date information on Delrin Acetal Resin—its properties, design considera-

tions, forming techniques, and applications. No. A-18404 (23 pages). *Advertising Dept., E. I. du Pont de Nemours & Co., Wilmington 98, Del.*

Electronic Products

Describes company's line of electro-mechanical components including terminal strips and shaft couplers, interlock and speaker plugs, drawings showing dimensions for chassis output, etc. *Accurate Electronics Corp., 169 S. Abbe Road, Elyria, Ohio.*

Steel Castings

Presents technical data regarding heat, corrosion, and abrasion resistant alloy. Includes charts listing about 50 cast alloys, plus descriptions of casting methods. Catalog No. 175 DS (23 pages). *ESCO Corp., 2141 N.W. 25th Ave., Portland 10, Oregon.*

Distribution Equipment

Buying catalog describes GE low-voltage distribution equipment. Provides selector charts, prices, ratings, ordering and ap-

plication data, etc. for heavy-duty safety switches, hinged wireway, switchboards, power distribution centers, motor control centers, and more. No. GEC-1100C (92 pages). *Distribution Unit, General Electric Co., Plainville, Conn.*

Temperature Conversion

Chart permits rapid conversion from one scale to another. Range is from absolute zero to 16,000 C. *Rosemount Engineering Co., 4900 W. 78th St., Minneapolis 24, Minn.*

Press Brake Dies

Contains over 360 drawings

of standard and special press brake dies, plus single and multiple bend forming, blanking, notching and punching dies. Gives complete engineering and design service, plus reconditioning information. Catalog No. PBD-60A (28 pages). *Press Brake Div., The Valeron Corp., 56 Factory Road, Addison, Ill.*

Roller Chains

Presents engineering data on company's stock roller chain, sprockets and couplings. Features listing of new ARSCM hp. ratings. Catalog #760 *Diamond Chain Co., Inc., 402 Kentucky Ave., Indianapolis 7, Ind.*



now it's easy to pick the paper you need —
from the 535 items in the new Stan-Pak Run-Rite line

Pick a grade. A color. A finish. A weight. The new Stan-Pak* Run-Rite* line gives you precisely what you need in office-size printing and duplicating papers. And at a sensible range of prices to suit your budget.

Even more important, you'll be assured of real performance—the kind that keeps your machines rolling at peak efficiency. That's because Run-Rite quality control overlooks nothing.

Trouble-Free Running

Take flatness. We laboratory-test all our papers right on the duplicating machines they're made for. Stan-Pak Run-Rite Papers come to

*T. M.

you flat. Lie flat in the machine. And feed flat.

But really trouble-free running calls for many more qualities. Controlled moisture to avoid static conditions and insure good printability.



Accurate trim and finish to prevent feeding jams. Even caliper, uniform weight and careful surface sizing to give you sharp, clean ink impressions. You get them all in Stan-Pak Run-Rite Papers—a line that combines the products of our Eastern, Chemical and Missisquoi mills.

See For Yourself

Next time you order paper, try the brand that's made to run right. Through the duplicating machine. On the press. In the typewriter.

We're confident you'll specify it every time.

STANDARD PACKAGING CORPORATION
NEW YORK 17, N. Y.

P/W School for Strategists

AIR freight can be an expensive proposition. But it also can be a blessing when you need something in a hurry. So the question frequently arises: When does the speed factor outweigh the cost?

PURCHASING WEEK's School for Strategists takes up this problem in the operations research games presented this week. These games, prepared by Consultant Martin L. Leibowitz, can be solved by the step-by-step procedure outlined in the following sample problem.

Sample Problem

You're a Purchasing Agent seeking bids on a certain type of material, and you know that the more bids you get, the better price you'll receive from vendors who want your order. But it costs \$200 to process each bid, so the more bids, the higher will be the processing cost. So your problem is: How many bids should you ask to effect your greatest saving?

Now here's the procedure to use in solving this problem:

(1) **What are you trying to do?** You're trying to decide how many bids you should ask for in order to effect the greatest possible saving.

(2) **What data do you have?** You know it costs you \$200 to process each bid. You know, too, that if you invite only one bid, you'll be at the vendor's mercy. But if there's competition, you'll get a better price. So amassing all the price data you can get, you come up with these estimates of savings: \$500 if two vendors bid; \$850 if three bid; \$1,100 if four bid; \$1,200 if five bid, \$1,300 if six bid.

(3) **Arrange this data in an orderly fashion.**

| Bids Solicited | Savings |
|----------------|---------|
| 1 | 0 |
| 2 | \$500 |
| 3 | \$850 |
| 4 | \$1,100 |
| 5 | \$1,200 |
| 6 | \$1,300 |

(4) **Now find the variables.** They are: the number of bids, the amount of the savings, and the cost of processing. As the number of bids increases, so does the amount of money saved—and so does the cost of processing the bids.

(5) **What are your alternate courses of action?** In this case, they are the number of bids you can ask.

(6) **Now, formulate a mathematical sequence.** You've already done part of this in Step 3; what you have to do now is add two more columns—one listing the cost per bid and the other giving the net savings, i.e., Column 3 subtracted from Column 2. Like this:



Dark blue color identifies A.I.S.I. Type 01 Oil Hardening Tool Steel, right up to heat treatment.

A better buy in flat stock...

**Brown & Sharpe "Ready-Mark"
Flat Stock comes pre-colored
at no extra cost**

Brown & Sharpe puts an exclusive smooth blue finish on its Ready Mark® Flat Stock that gives you three big advantages — costs nothing extra.

1. Saves layout time with a pre-colored surface that's all ready for scribing.
2. Prevents mixups in steel selection and hardening. Positively identified.

3. Protects the steel against rust without grease or any other coating.

Make the handling of steel easier for everybody, by asking your Brown & Sharpe distributor for "Ready Mark Blue". Brown & Sharpe Mfg. Co., Providence 1, Rhode Island.



Brown & Sharpe PRECISION CENTER

| Number of bids Asked | Savings on Purchase Price | Cost of Processing | Net Saving to Firm |
|----------------------|---------------------------|--------------------|--------------------|
| 1 | 0 | \$200 | -\$200 |
| 2 | \$500 | \$400 | \$100 |
| 3 | \$850 | \$600 | \$250 |
| 4 | \$1,100 | \$800 | \$300* |
| 5 | \$1,200 | \$1,000 | \$200 |
| 6 | \$1,300 | \$1,200 | \$100 |

And there's your answer (starred). You should solicit four bids because that's your point of greatest net savings, \$300 (\$1,100 savings on material less the \$800 cost of processing). If you solicit fewer or more bids, the cost of processing them will eat up more of the material savings and give you a smaller net.

Now, try the two following problems on your own.

Problem I. How Much to Ship By Air

A production run on Hydroducers was scheduled to begin in one week, and the shipment of Fan Blades—a basic component—had not arrived.

Frank, the P.A. responsible for procurement of the Fan Blades, contacted the vendor and was informed that receipt could be expected in three weeks if shipped by rail, or one week if shipped by air. Because air transport of the Fan Blades was so expensive—\$20 per item more than rail delivery—Frank told the vendor he would call back within the hour and tell him how to ship the order.

Frank immediately called the manufacturing supervisor and found that the production schedule required 30 Fan Blades per week. Furthermore, the slippage cost was estimated at \$30 per item per week. In other words, if there were no Fan Blades for the first week of the production run, production losses of \$900 (30x\$30) would be incurred.

On the basis of this information, Frank formulated his problem. Since air transport of the entire order of 300 Fan Blades would be expensive, the best procedure would be to have a part of the order sent by air and then have the remainder shipped by rail. The question was: How much to ship by air.

To answer this question, Frank constructed the following table:

| No. Items Shipped by Air | Extra Shipping Cost | Slippage First Week | Slippage Second Week | Slippage Cost |
|--------------------------|---------------------|---------------------|----------------------|---------------|
| 0 | \$ 0 | 30 | 30 | \$1800 |
| 30 | 600 | 0 | 0 | 900 |
| 60 | 1200 | 0 | 0 | 0 |
| 90 | 1800 | 0 | 0 | 0 |
| 120 | 2400 | 0 | 0 | 0 |

How did Frank use this table to determine the number of items to have shipped by air?

(Answer on Page 35)

Problem II. When to Use Air Transport

Joe is faced with a stockout in a critical item. The manufacturing supervisor has indicated that the company will lose \$100 of production capability every day that the item is missing. Joe already had contacted the vendor and arranged for an order to be prepared for shipment. The question now was: Should the shipment be sent by rail or by air?

Air transport was more costly—\$425 more than the standard rail route. On the other hand, air transport guaranteed delivery in two days. The railroad was supposed to be able to make delivery within six days, but from previous experience, Joe knew that railroad shipment usually took seven days.

Using operations research, Joe performed a few calculations, then phoned the vendor and told him how to ship his order.

Did he instruct the vendor to send it by rail or by air?

(Answer on Page 35)

**Specify...
...end your
delivery problems!**

Why? Because D-C takes the entire responsibility for delivering your order for parts, materials, or merchandise on time and in good condition. Only D-C can offer one-carrier responsibility coast-to-coast because only D-C goes direct coast-to-coast! One-carrier handling...one-carrier control...non-stop, straight-through service all the way on D-C equipment...cuts 20% off running time...assures you on-time delivery every time!

**Specify the Dependable Carrier...
D-C...coast-to-coast choice for coast-to-coast service!**

D-C DENVER CHICAGO TRUCKING CO., INC.
the ONLY direct coast-to-coast carrier!

DC's "mile-saver" route
cuts the distance coast-to-coast

You'll find us in the **YELLOW PAGES**

Small Company P.A.'s Urged to Make More Formal Reports to Management

Newark, N. J.—The small company P.A. was singled out as the worst offender when it comes to making formal reports to management.

At a North Jersey Purchasing Agents Assn. pre-meeting forum on "Reports from Purchasing," moderator R. A. Weckstein, purchasing manager, G-V Controls, Inc., Livingston, said statistics showed that about one-third of all purchasing people do not send reports to management. But those in most large companies do, he said.

Weckstein advised that reports incorporate data on business conditions that will affect the company's profitability, plus market analyses, rather than statistics on the operation of the purchasing department.

"It's very important that purchasing report its activities with particular emphasis on showing purchasing savings," he stressed. Such savings, Weckstein said, are equivalent to a proportional increase in sales.

L. B. Margraff, purchasing supervisor, Lamp Div., Westinghouse Electric Corp., Bloomfield, outlined a cost accounting system that develops variances from standard purchase prices. These variances—favorable or unfavorable—are reported to management with recommendations. This, Margraff explained, is tied in with a cost reduction goal at the beginning of the year. Favorable variances are analyzed so

they can be attributed to purchasing's cost reduction efforts and to weed out any normal market fluctuations.

Purchasing savings are also emphasized at Manhattan Rubber Div., Raybestos-Manhattan, Inc., Passaic, according to Joseph A. Mathias, chief buyer. They keep records, he said, on large purchases to show which savings are attributable to their efforts and summarize results in a monthly cost reduction report.

New Officers Elected For Purchasing Agents In Radio, TV, Electronics

New York—A. S. Weingast, director of purchasing, Precision Apparatus Co., has been elected president of P. A.'s Inc., purchasing agents of the radio, television, and electronics industries.

Other new officers include: Milton Brody, director of purchasing, Mohawk Business Machines Corp., vice president; Louis Lucci, assistant purchasing agent, Republic Electronic Industries, recording secretary; B. J. Trimboli, director of purchasing, Telechrome Mfg. Co., corresponding secretary; A. Schniederman, director of purchasing, Olympic Radio & Television, treasurer.

Elected directors were: Bernard Loew, Adams Laboratories; Paul Reneau, Magnetic Amplifiers; A. Weissman, Marken Machines; Sam Wolfson and Arnold Sutta, Emerson Radio & Phonograph.

Columbus Assn. Hosts 300 at Winter Party

Columbus, Ohio—The Columbus Assn. of Purchasing Agents invited suppliers' top management and sales personnel to join them at their annual midwinter party, and the turnout hit the 300 mark.

Arrangements were handled by Earl Jacobson, Yardley Plastics Co.; Rodger Maddex, Hauffman-Wolfe Co.; Donald Mur-nane, Westwater Supply Co.; and Henry Marconnet, Westinghouse Electric Corp.



CENTRAL IOWA ASSN. members got rundown on NAPA activities from H. J. Jungbluth (ctr) R T & E Corp., Waukesha, Wis., Dist. 3 V.P. Pre-meeting huddle includes A. E. Minor (l), John Morell Co., nat. dir., and M. J. Karpan (r) Waterloo Valve Spring Compressor, chrm.-pub. rel.

Riker Enters Bulk Market

Northridge, Calif. — Riker Laboratories, Inc., is about to enter the bulk pharmaceutical market.

Riker, a wholly-owned subsidiary of Rexall Drug & Chemical Co., previously had confined its marketing to wholesale packaged and bottled products.

Products which will become available to other pharmaceutical manufacturers are those made by Southern California Gland Co. and Darwin Laboratories, both acquired by Riker in mid-1960. Initial efforts will center around Heparin, an anti-coagulant for heart patients.

The President of Swingline Shows:

How American Ingenuity Assures Jam-Free Performance in a Stapler



SWINGLINE No. 27



PROBLEM: How to make a stapler that won't jam.

SOLUTION: The now-famous open channel!

RESULT: Jam-free performance... split-second loading; Greater Efficiency.

THIS is one of the many problems solved by the ingenuity of Swingline's research and engineering experts. Their search to improve Swingline Staplers is a continuous one. And a very careful one. That's why you can be sure when you buy a new, improved Swingline Stapler, it will help you do a better job.

AND...did you know Swingline makes Speedway File Fasteners?

The same high quality you enjoy in Swingline Staplers is yours in Speedway File Fasteners. Tried and tested by millions, these better, faster, easier-to-use fasteners have satin-smooth prong edges that prevent scratches and cuts. Completely covered prongs are always out of the way. Test them yourself. Contact your office supply dealer or write Swingline on your letterhead for FREE sample.



Swingline INC.

Long Island City 1, New York
World's Largest Manufacturer of Staplers for Home and Office

In the World of Sales

Edward D. Gorton and Samuel S. Rockwood have been elevated to eastern and western regional sales managers, respectively, **Trojan Tractor Shovel line, Yale and Towne Mfg. Co.**, Batavia, N. Y.

C. A. Hill was appointed vice-president in charge of sales, **Firestone Tire & Rubber Co.**, Akron, Ohio.

John J. Meadows has joined **Howard Industries, Inc.**, as assistant sales manager, **Rae Motors Corp.**, Racine, Wis.

Arnold Rofheart was given the post of advertising manager in charge of advertising and sales promotion, **Parker-Kalon, division of General American Transportation Corp.**, Clifton, N. J.

K. J. Morray has been assigned the new post of sales manager, **Silicone Products Dept., General Electric Co.**,

Waterford, N. J. He succeeds **Thomas J. March**, who has taken a new post as manager of sales operation of **General Electric's** newly established **Internal Automation Operation**, Schenectady, N. Y.

George Main has been appointed eastern division sales manager, **Arwood Corp.**, New York City.

C. J. Burke has been named sales manager, **Marine Products Dept., Westinghouse Electric Corp.**, Pittsburgh, Pa.

Elton G. Hoehn has been given the newly created post of assistant to the vice president, sales-administrative, and **Sam A. Seckler** was named district sales manager, **Republic Steel Corp.**, Cleveland.

Earl C. Davis has been advanced to field sales manager, **Parker-Hannifin Corp.**, Cleveland.



Now Mr. Roytype has—

The Most Durable Computer Tape Ever Made!

Plus other Roytapes especially designed for your data processing equipment

Your Mr. Roytype has done it again... come through with the most durable tape available for your modern business machines. This perforator tape is made by laminating paper to tough Mylar* plastic film. It will far outlast any paper tape.

But, leave it to Roytype to provide several kinds of Roytape... to have on hand, for your best interests, just exactly the Roytape for your specific jobs and equipment.

Whether you require oiled tape or the non-bleeding unoled kind, rolls or folded, regular weight paper or heavy duty Master tape paper, your Roytype representative has it... and can get it to you next to immediately. Ask him to help you. That's his job.

*Mylar is the registered trade-mark of the DuPont Company

A complete line of business supplies... expert help... and the fastest service, too.

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Royal McBee Corporation, Port Chester, N. Y.

Please have our Mr. Roytype show me the kinds of Roytape available for my computing machines.

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This Changing Purchasing Profession . . .

A. L. Johnson has been made purchasing agent for the **Township of Scarborough, Ont.**, H. R. Selman succeeds him as purchasing agent for the **City of Kitchener, Ont.**

A. Arnold Fagen, Jr., has joined **Shoreline Enterprises of America, Inc.**, Tampa, Fla., as purchasing manager. He had been assistant manager of the **Tampa Shrimp Producers Assn.**, a marketing cooperative he helped organize in 1953.

J. M. Ravelle was assigned the new post of director of purchasing and production, for **Industrial Timer Corp.** and their **Line Electric Division**, Newark, N. J. He had been purchasing agent and production manager. **Mrs. Elsie Jameson** moves up to purchasing agent for the firm, and **Gil Zerbe** becomes purchasing agent for the **Line Electric Division**.

E. D. Carter has been assigned the new post of corporate director of materiel and procurement, **Martin Co.**, Baltimore. A member of the Senate Military Procurement Advisory Committee, Carter formerly held a similar post in the company's Baltimore Division.

B. L. Willmore, vice president and director of procurement and materials, **Bemis Bro. Bag Co.**, St. Louis, has been elected a member of the board of directors.



E. D. CARTER

B. L. WILLMORE

Philip F. Bamforth was named materials control assistant on the staff of the vice president for production, **Carling Brewing Co.**, Cleveland. **Robert J. Saunders**, maintenance stores supervisor, succeeds him as purchasing agent at the **Natick, Mass.**, plant.



P. F. BAMFORTH

R. J. SAUNDERS

James L. Elliott, Jr., director of production engineering, has been promoted to director of purchasing at **AC Spark Plug Division**, General Motors, Flint, Mich. He succeeds **Joseph K. Decker**, recently named equipment sales manager.

P. C. Livesay has been named coordinator of manufacturing and purchasing for **Standard Oil Co. (Indiana)**, Chicago. He had been deputy coordinator of manufacturing.

Robert F. Lhota joined the Tapco group purchasing department, **Thompson Ramo Wooldridge Inc.**, Cleveland, as senior buyer with responsibility for directing all procurement activities for the **Bomarc** auxiliary power unit program. He had been active in procurement work with the **Cadillac Tank Plant Div.**, General Motors Corp.

William C. Auld was appointed manager of purchasing, a new post, for **Mobay Chemical Co.**, Pittsburgh. He joined the firm in July, 1960, as manager of engineering purchasing. **E. F. Cupp**, plant buyer, will coordinate purchasing of materials for the firm's plant in **New Martinsville, W. Va.**

Richard B. Isphording has been promoted to the new post of assistant purchasing agent, **Chesapeake & Ohio Railroad**, Richmond, Va.

Obituaries

John E. Schnabel, 85, who retired as director of purchases for **Consolidated Water Power & Paper Co.**, Wisconsin Rapids, Wis., in 1946 died Feb. 4.

Walter H. Koehler, purchasing agent for **Heil Co.**, Milwaukee, died Jan. 28. He was 59.

Henry F. McCarthy, 54, vice president of purchases and stores for the **New York Central System**, New York, died Jan. 27.

ANOTHER
NEW ACHIEVEMENT
IN MODERN
FLOW CONTROL
BY CRANE

- 1 Single retaining nut holds cartridge assembly in body, for fast, foolproof dismantling and assembly
- 2 Teflon* thrust washer reduces stem friction; absorbs line pressure load on ball
- 3 Teflon* seats pre-loaded for tight shut-off with minimum torque
- 4 Bright plastic grip insulates handle and flags valve position
- 5 Positive, Standard Size O-ring seals on stem, cartridge
- 6 Self-aligning, precision-machined ball, polished and chrome-plated to minimize friction and wear on seats
- 7 Tapered cartridge contains all working parts; slips out bottom in one piece for cleaning or maintenance

* Teflon is a registered trademark of E. I. DuPont de Nemours & Co., Inc.

VASCO PANEL SESSION highlighted February meeting of Eastern New York Assn. Discussing program are (l-r): C. E. Anderson, Ford Motor Co., Green Island, nat. dir.; F. C. Esser, Lamp Div., Westinghouse Electric Corp., Bloomfield, N. J., Dist. 8 v.p.; A. A. Woodward, Woodward Co., Albany, pres.; and E. C. Drew, Solvay Process Div., Allied Chemical Co., Syracuse, N. Y., Dist. 8 VASCO chairman. Panelists included W. H. Flint, Cluett Peabody & Co., Troy; H. W. Hull, General Electric Co., Schenectady; B. J. Murphy, Sager-Spuck, Albany; and Philip Spinella, General Electric Co., Schenectady, moderator.



Chattanooga P.A.'s Tipped on How To Save Money Buying Fleet Cars

Chattanooga—Put your people in compact cars if they are not traveling over 18,000-20,000 miles a year. That was the advice B. C. Maltby, fleet merchandising manager, Atlanta district sales office, Ford Motor Co., gave members of the Chattanooga Purchasing Agents Assn. For greater mileage, he advised full-size cars "commensurate with the prestige of the man."

Maltby was one of three suppliers who discussed cost saving

tips at a special panel session—an annual event—sponsored by the association's Professional Development Committee.

Three major factors considered in the purchase of company cars, he told the group, are: initial cost, operating expense, and trade-in or residual value. As for trade-in value, he said, "The value of a used car is determined by the people who buy used cars."

Improving the Resale

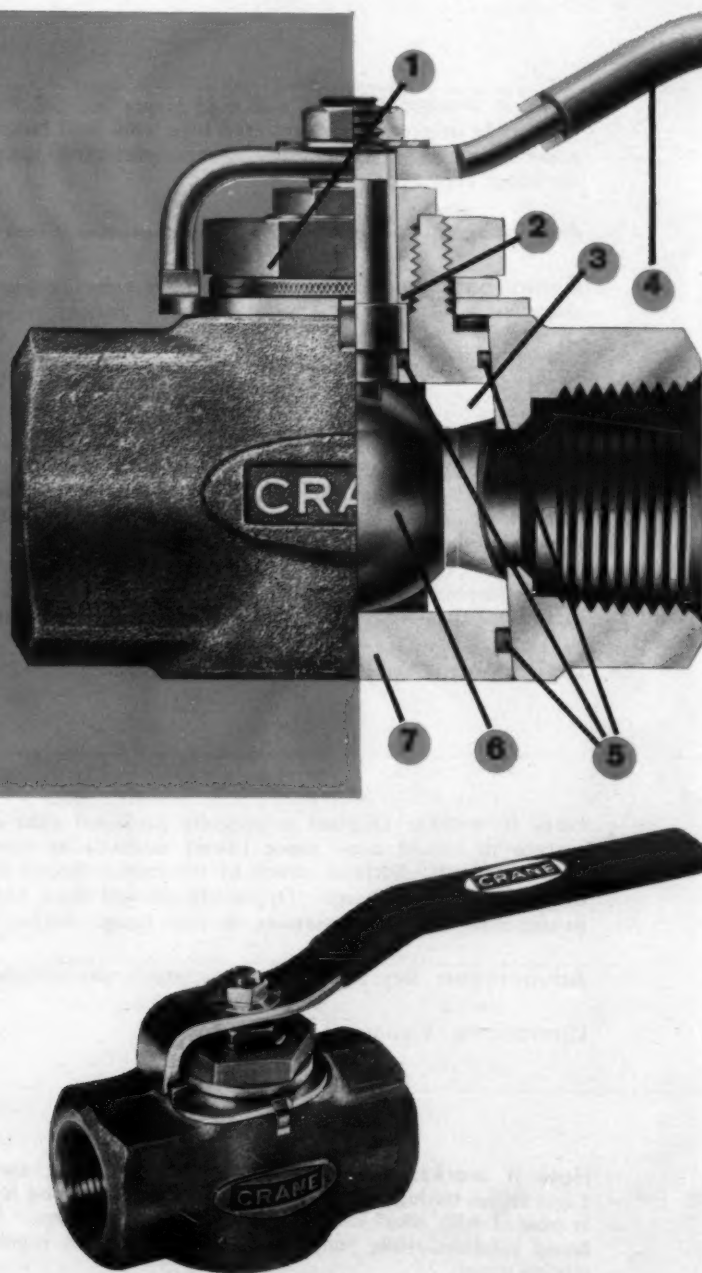
Coca-Cola, Maltby reported, used to buy six-cylinder, standard transmission, bottom-model cars, but it has switched middle-line



B. P. PEDERSEN (l) P.A., Mengel Co., gets some pre-meeting tips on buying company cars from panel speaker B. C. Maltby.

CRANE BALL VALVES

with the exclusive tapered cartridge that drops out for fast, in-line servicing designed to handle all air and water services to 400 F



There's a beautiful simplicity in these newest ball valves—Crane-designed for sure, safe, versatile service. The heart of the valve is a tapered cartridge—remove one retaining nut and the cartridge slips out the bottom for cleaning or maintenance, and then slips back, exactly in place, while the valve body remains in the line. The Teflon® seats are precisely pre-loaded for bottle-tight closing with a quick, easy quarter-turn of the handle—even with air or gas, vacuum to 800 psi, temperatures from -40 to 400 F. The handle is insulated, for hot service, and its bright Crane orange quickly flags the valve position—in-line for open, stand-out for closed.

Crane Ball Valves give you smooth flow; shut off tightly in either direction. All steel parts are plated for corrosion resistance.

Available now for prompt delivery at competitive prices—sizes from 1/4" to 2", screwed ends, in bronze, steel and Type 316 stainless.

Call your Crane Distributor or send today for a complete, illustrated folder on the outstanding new Crane Ball Valves, engineered for unmatched service.

CRANE

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Valves/Electronic Controls/Piping/Plumbing/
Heating/Air Conditioning

V-8 automatics with air conditioners for everyone south of the Mason-Dixon line. One of the largest leasing companies, he added, recommends the middle or top line. They even go to hard tops—V-8 automatics—because they know the car can be resold readily, he said.

Maltby advised buying cars at the point they are to be used. He told P.A.'s, "You have a better chance for service, and after all, there is such a thing as community relations."

P.A.'s also got cost saving tips on buying printing supplies and paints from Alvin Ghertner, president, Cullom & Ghertner Co., Nashville; and J. J. Knight, assistant manager, national trade sales maintenance, Glidden Paint Co., Cleveland.

Evansville P.A. Group Offers 12-Week Course On Buying Procedures

Evansville, Ind. — Beginning tonight local P.A.'s will be back at school sharpening their purchasing knowledge.

The Evansville Assn. of Purchasing Agents, in cooperation with the Evansville Community College, is offering a 12-week purchasing course.

The course, a "first" in the annals of the association, was filled within two weeks from the date of announcement. The purchasing class meets one night each week.

P.A.'s will cover leasing or buying, value analysis, cost analysis, financial statement analysis, data processing, and communications. Two sessions each will be devoted to legal aspects, inventory control, and economics and competition.

Data to Help You Make the Right Move When You

How does the purchasing agent choose one copying machine from among nearly a hundred listed in the guide on the following pages? The trick is to match the machine to the job—no one machine is best, but one may well be best for the copying job you have in mind.

Variables that must be carefully evaluated include initial price of the machine, cost per copy, type of original material, and convenience. If a large volume of copies is needed, a more expensive machine that makes lower-cost copies may be in order. If copies are destined for quick filing, quality may not be so important.

The perfect copying machine would make fast, dry, photographic quality copies of any original material. And it would do all this at a reasonable cost. But no one machine on the market combines all these features.

Most observers think the electrostatic machines will come closest to filling these requirements. The original electrostatic copier (Xerox 914) is priced out of the range of the average office, but two new units are just coming on

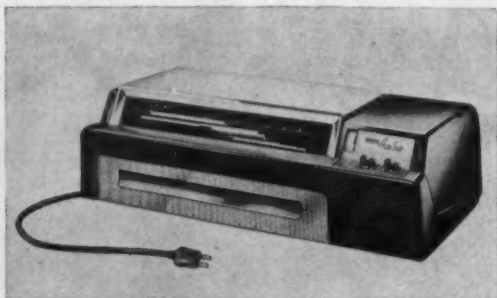
the market (BBM and APECO Electrostat), and a half-dozen others are just over the horizon.

Meanwhile, makers of more conventional copying equipment continue to refine their wares. Disposable plastic containers eliminate messy chemical changing jobs, and automatic machines separate originals from copy paper making one-step operations out of old two-step systems.

Versatility is another by-word of desk copiers. New materials enable machines to make offset masters, laminate papers inside plastic film, address labels, make slides for overhead projection, image spirit masters, and a host of other jobs.

Minnesota Mining & Manufacturing Co.'s Thermo-Fax machine is far and away the sales leader—doing an estimated \$700-million annually in equipment and supplies. Silver transfer and dye transfer sales are estimated at about \$50-million each, with electrostatic and diazo bringing in about another \$10-million apiece.

SILVER TRANSFER

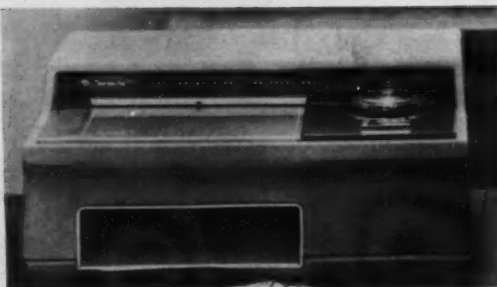


How it works: Original, with a piece of sensitive negative paper, is exposed by the light source in the machine. The undeveloped negative and a piece of positive copy paper are run through a wet developer solution and pressed between two rollers. The solution develops the negative and photographically transfers the image to the positive sheet—making the copy.

Advantages: Can handle any type original; negative image can be used to make additional copies.

Limitations: Wet process involves chemicals.

THERMAL



How it works: Original and copy paper are fed into machine. Dark sections in original absorb infrared rays from heat lamp—heating the copy paper in contact with it and turning these portions of the paper black to form the image copy.

Advantages: Completely dry, one-step process is easy to use and fast.

Limitations: Cannot copy ink and many colors, copies lack photographic sharpness.

DYE TRANSFER



How it works: Original and matrix copy sheet are exposed to light source. The matrix is dropped into a developing solution that forms a negative image of silver chloride and a dye in a gelatin layer. A plain sheet of paper is pressed against the matrix and part of the layer comes off, forming the image on the paper.

Advantages: Can reproduce on both sides of ordinary bond papers. Equipment is inexpensive. Extra copies are quick and cheap to make.

Limitations: Chemicals needed, wet process.

ELECTRO-STATIC



How it works: Original is optically projected onto electrically charged surface of coated copy paper (direct method) or selenium-coated drum (offset method). Surfaces struck by the light (reflected from white areas of original) lose their charge. Oppositely charged black toner powder adheres to still-charged portions, forming the copy image which is fused to the paper.

Advantages: Dry, one-step process; makes photographic copy of original.

Limitations: Equipment is expensive.

DIAZO



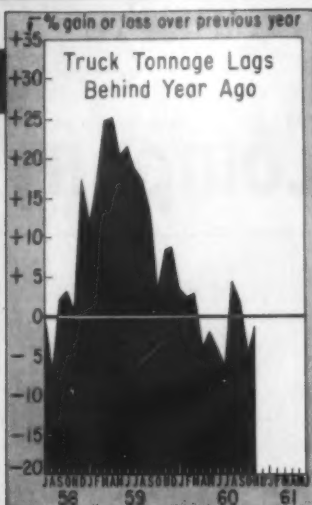
How it works: Original and piece of copy paper are fed into machine. Light shines through original, exposing diazo compound in copy sheet. Copy is treated with alkali and dye coupler to form image. Moist process uses liquid solution, while "dry" system uses ammonia vapor and coupler-containing paper.

Advantages: Fast, single step process; copy cost is cheap. Basic for drafting office.

Limitations: Can handle only translucent originals, printed on one side. Uses chemicals.

Buy Office Copying Machines for Your Company

| MANUFACTURER AND MODEL | PROCESS | COST PER FIRST COPY | COST OF EACH ADDITIONAL COPY | MAX. NO. COPIES AT REDUCED COST | MAXIMUM COPY SIZE (Width x Length) | NO. COPIES/MIN. | DEVELOPING CHEMICALS NEEDED | COPY PAPER | WILL HANDLE ORIGINALS | | | MAKES OFFSET MASTERS | COST | SPECIAL FEATURES |
|---|-----------------|---------------------|---------------------------------|------------------------------------|---------------------------------------|-----------------|--------------------------------|-------------------------|--------------------------|-----|-----|-------------------------|--------------------|---|
| AMERICAN PHOTOCOPY EQUIPMENT CO. "Century" | Silver transfer | 8½¢ | Same | | 8½ in. x any | 3 | Yes | 5 colors | Yes | Yes | Yes | No | \$99 | Makes diazo and vue-graph masters, auto. fluid replen- isher, pre-mix developer. |
| "Director" | " | " | " | | 10 in. x any | 3 | " | " | " | " | " | Yes | 227.50 | Makes diazo and vue-graph masters, auto. fluid replen- isher, speed feed. |
| "Uni-Matic" | " | " | " | | 11 in. x any | 5 | " | " | " | " | " | No | 423.50 | Makes diazo and vue-graph masters, fluid replenisher. |
| "Electro-Stat" | Electrostatic | 3½¢ | " | | " | 6 | No | White | " | " | " | Yes | 1,495 | Makes true photographic repro- duction. |
| AMPTO, INC. Ampto 9-C | Silver transfer | 8½¢ | Same | | 9 in. x any | 3 | Yes | 7 colors | Yes | Yes | Yes | No | 99.50 | Makes films and transparent masters, disposable solution cartridge. |
| Ampto "12" | " | " | " | | 12 in. x any | " | " | " | " | " | " | Yes | 259.50 | Built-in paper dispenser, dispo- sable solution cartridge. |
| Anken "27" | " | " | " | | 27 in. x any | " | " | " | " | " | " | " | 650 | Makes films and transparent masters. |
| BBM PHOTOCOPY MFG. CORP. Undesignated | Electrostatic | 3½- 5 | Same | | 8½ in. x any | 5 | No | White, pink | Yes | Yes | Yes | No | 500-600 | Continuous roll operation, com- pact desk model, pre-set con- stant exposure, all tonal values copied. |
| CHARLES BRUNING CO., INC. Copyflex model 105 | Diazo | 1 | Same | | 11 in. x any | 5 | Yes | 6 colors, card stock | Yes | No | No | No | 295 | Also works with various films and cloths. |
| Copyflex model 110 | " | " | " | | " | " | " | " | " | " | " | " | 585 | Also works with various films and cloths, heavy-duty model. |
| Copyflex model 120 | " | " | " | | " | " | " | " | " | " | " | " | 675 | Also works with various films and cloths, auto. separation of prints from originals. |
| Revolute-Starlet | " | 2 | Same | | 12 in. x 18 in. | 25 | Yes | 3 colors | " | " | " | " | 1,700 (Approx.) | Auto. separation. |
| COPEASE CORP. Comet | Silver transfer | 8½¢ | 3½¢ | 2 | 9 in. x any | 3 | Yes | 6 colors | Yes | Yes | Yes | Yes | 253 | Makes overhead projector slides, intermediates for diazo proc- ess, self-cleaning exposure glass. |
| Book Copier A | " | " | " | " | 8½ in. x 14 in. | " | " | " | " | " | " | " | 328.50 | Same, without self cleaner. |
| Champion | " | " | " | " | 15 in. x any | " | " | " | " | " | " | " | 378.50 | Same as Comet. |
| Champion 18 | " | " | " | " | 18 in. x any | " | " | " | " | " | " | " | 453 | " |
| Crusader | " | " | " | " | 9 in. x any | 6 | " | White | " | " | " | " | 595 | Completely auto., no handling of liquids, auto. separation, cuts positive paper to proper length. |
| COPYCAT CORP. F5 99 | Silver transfer | 8½¢ | 3¾¢ | 10 | 9 in. x any | 5 | Yes | 6 colors | Yes | Yes | Yes | No | 199 | Spray process-sealed tank, chem- ical lasts a whole month, ma- chine may be wall-mounted. |
| F5 914 | " | " | " | " | 14 in. x any | " | " | " | " | " | " | " | 365 | |
| F 9 | " | " | " | " | 9 in. x any | " | " | " | " | " | " | " | 395 | |
| F 14 | " | " | " | " | 14 in. x any | " | " | " | " | " | " | " | 495 | Auto. separation, stacks them in separate hoppers. |
| AS 14 | Diazo | 1 | Same | " | 14 in. x any | 7 | " | " | " | No | No | " | 1400 | |
| COPYMATION, INC. Copymate 9 | Silver transfer | 8 | Same | | 9 in. x any | 5 | Yes | 5 colors | Yes | Yes | Yes | No | 119.50 | Disposable developer solution container, no mixing of chem- icals. |
| Copymate 14 | " | " | " | | 14 in. x any | " | " | " | " | " | " | " | 169.50 | " |
| CORMAC PHOTOCOPY CORP. Book Printer (exposure unit only) | Silver transfer | 8½¢ | 4 | Any | 11 in. x 16 in. | 4 | Yes | 5 colors | Yes | Yes | Yes | Yes | 139 | Continuous-tone reproduction. |
| 117 | " | " | " | " | 14 in. x 20 in. | " | " | " | " | " | " | " | 149 | |
| 118 | " | " | " | " | 18 in. x 24 in. | " | " | " | " | " | " | " | 169 | |
| 300 Copier | " | " | " | " | 11 in. x any | 10 | " | " | " | " | " | " | 299 | Continuous-tone reproduction, electronically controls opera- tion, disposable cartridge. |
| Coronet 103 | " | " | " | " | 18 in. x any | 8 | " | " | " | " | " | " | 399 | Continuous-tone reproduction, double-sided copies. |
| 500 Copier | " | " | " | " | 14 in. x any | 4 | " | " | " | " | " | " | 499 | Continuous-tone reproduction, one-step unit, auto. separa- tion, disposable cartridge. |



P/W TRANSPORTATION MEMOS

"REAR GUARD" ACTION ON MERGER FRONT: As a hedge against defeat in its efforts to block Santa Fe's acquisition of Western Pacific, Union Pacific reportedly has purchased sizable blocks of stock in Denver & Rio Grande. Purpose: to strengthen its own connections to the West Coast, especially in the Southwest, in the event of a Santa Fe victory. UP has been supporting Southern Pacific in its battle with Santa Fe for control of Western Pacific.

Meanwhile, another merger ran into difficulty last week, when five directors of the Chicago, Milwaukee, St. Paul & Pacific Railroad threatened a proxy fight over terms of a proposed merger with Chicago & Northwestern Railway.

But a third merger move, acquisition by the Southern Railway of Interstate Railway, a coal carrier in Wise County, Va., received the blessing of the ICC. Louisville & Nashville, which had

opposed the acquisition, withdrew its objections when Southern gave assurances it wouldn't discriminate against L&N in routing coal over Interstate's lines.

ANTIDOTE FOR FLAG-OUTS: The Eastern Central Motor Carriers Assn. has proposed some strong medicine to cut down on the number of carriers between the Port of New York and Midwest points who "flag out" on delivery charges. The rate-making group has come up with a docket proposal abolishing the old rules and slapping on a set of new ones, which include pickup charges as well. It's all aimed at getting a uniform schedule that carriers can't economically cancel of their own accord.

Here's what shippers can expect if the new rules win members' and ICC approval: 35¢ cwt. on less-than-5,000-lb. shipments; 28¢ cwt. on 5,000-lb. and over; 11¢ cwt. on volume or truckload plus minimum charges of \$3.70 on LTL and \$22.40 on volume or truckload shipments.

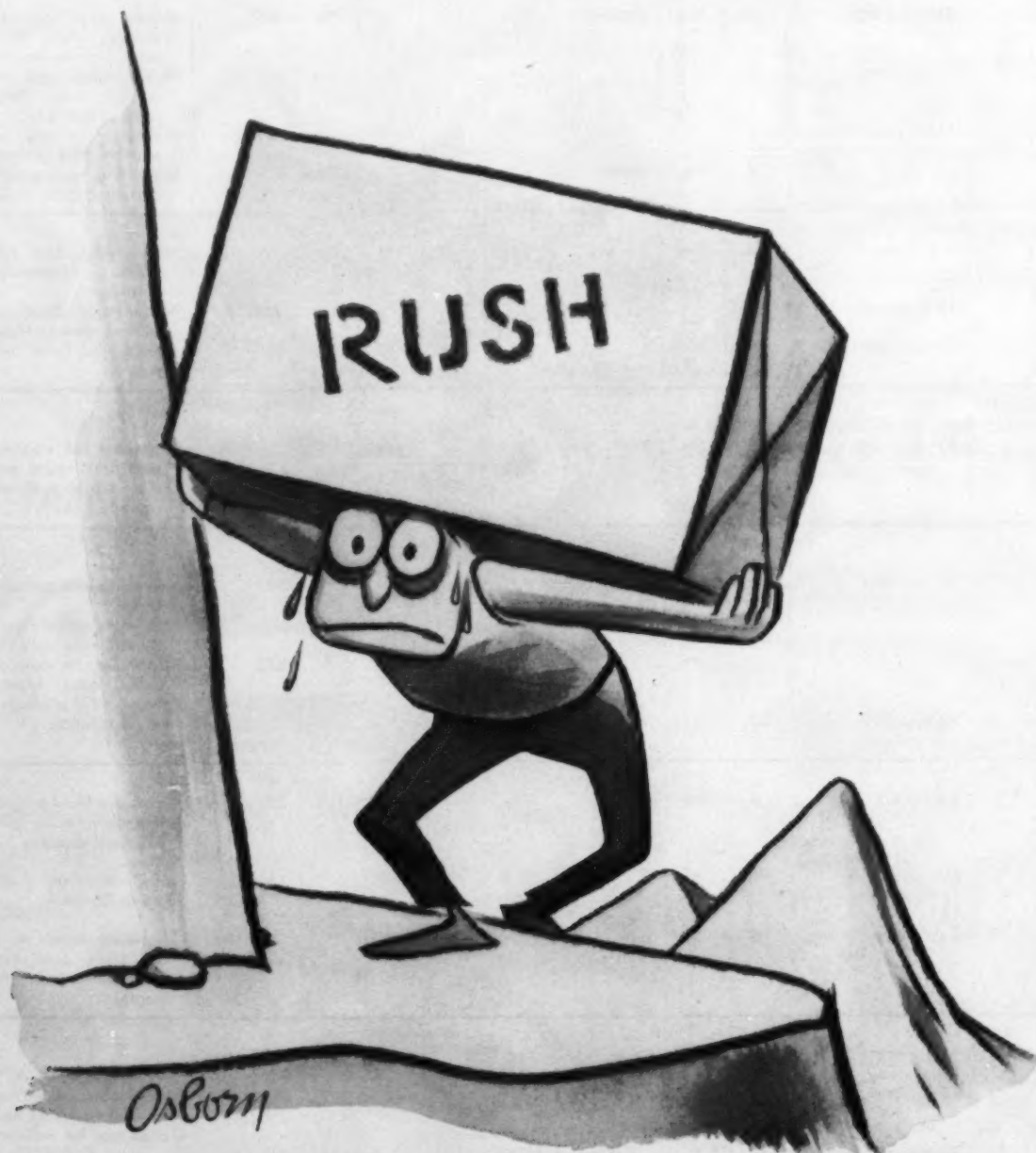
SHAPE UP OR SHIP LESS: Shippers protesting a proposed 10¢ cwt. increase in LCL, pickup and delivery charges told Western Trunkline Railroads to improve service rather than reduce it, threatening greater use of private transportation if the new charges were imposed. Western Trunkline Committee chairman R. E. Barr admitted that the LCL service is "pretty bad," but said it costs money to provide service, hence the proposed LCL rate increases.

PROPOSE USER FEES: The Eastern Railroad Presidents' Conference puts user fees for nonrail transportation modes at the top of a four-point list of cures for railroad ills. A 1961 Eastern railroads policy book urges creation of a "National User Charge Commission" to assess and collect "fair and reasonable fees" from users of "government-provided" highways, waterways, and airports. Defending the proposal, Conference Chairman David I. Mackie cited the "artificial cost advantage over railroads" provided by the "\$162-billion of taxpayers' money" spent on these transportation facilities.

Other proposals: (1) end of state and local property taxes on railroads, (2) extensions of right to haul agricultural products and bulk commodities "free from economic regulation" and (3) right to diversify, through door-to-door, one-price, one-package transportation.

INTERCOASTAL DEMISE: Announcement that Luckenbach Steamship Co. will end its 110-year-old domestic service and go into foreign trade triggered a wave of protests from ports, particularly on the West Coast. It also led to a meeting of the Labor-Management Committee on Domestic Trades, which is composed of five steamship companies and two maritime unions.

Luckenbach, last intercoastal water carrier of general freight in the U. S., terminates operations with eastbound sailing of Marine Snapper from San Francisco, March 22. Pres. Edgar F. Luckenbach blamed ICC for "favoring the railroads" in ratemaking and the Federal Maritime Board for "lack of action" on the line's request for a decision on mortgage insurance for five containerships.



DIAGNOSIS: ACUTE REMOTE-DELIVERY PRESSURE

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Meetings You May Want To Attend

MARCH

National Railway Appliance Association—McCormick Place Convention Hall, Chicago, March 6-9.

Institute of Radio Engineers—International Convention and Show. Waldorf-Astoria Hotel and New York Coliseum, New York City, March 20-23.

Western Metal Congress—American Society For Metals and five participating technical societies, Los Angeles, March 20-24.

Past Presidents Party—Indianapolis Association—Marott Hotel, Indianapolis, March 21, 1961.

APRIL

Annual Pacific North West Purchasing Conference—Far West Purchasing Agents Association—Victoria, B. C.—April 6-8.

National Packaging Exhibit—McCormick Place, Convention Hall, Chicago, Ill., April 10-13.

American Society of Lubrication Engineers—Annual Meeting and Exhibit—Bellevue-Stratford Hotel, Philadelphia, April 11-13, 1961.

Indiana Industrial Show—Manufacturers Building, State Fairgrounds, Indianapolis—April 12-14.

Business Equipment Exposition—Office Equipment Manufacturers Institute—New York Coliseum, New York City, April 17-21, 1961.

Problem Clinic—Indianapolis Association—Dinner Meeting, Marott Hotel, April 18, 1961.

General Electric 69th Annual Meeting of Share Owners—Onondaga County War Memorial Auditorium, Syracuse, April 26.

National Tank Truck Carriers—An-

nual Meeting and Trade Show, Netherland-Hilton Hotel, Cincinnati, April 30-May 2.

Liquefied Petroleum Gas Association—Annual Meeting and Trade Show—Conrad Hilton Hotel, Chicago, April 30-May 3, 1961.

MAY

Chicago Electrical Industry Show—McCormick Place Convention Hall, Chicago, May 2-4.

42nd International Conference and

International Exposition—Kiel Auditorium—St. Louis, Missouri—May 7-11, 1961.

65th AFS Castings Congress & Exposition—Brooks Hall, San Francisco, May 8-12.

Western Joint Computer Conference—National Joint Computer Committee—May 9-11.

Canadian Purchasing Conference—Canadian Association of Purchasing Agents—Products Display for 1961—Royal York Hotel, Toronto—May 28-31.

Power Companies and Co-ops Plan To Form North Dakota Power Pool

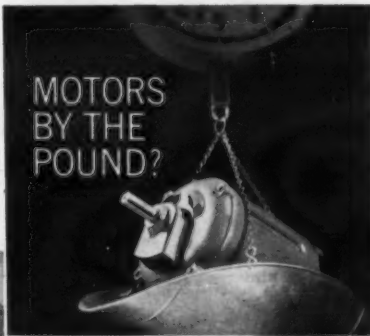
Minneapolis—Plans to form a power pool in North Dakota that would involve building five new plants costing over \$125-million have been revealed by a group of two private power companies and three rural electric co-ops.

Each of the proposed plants would have a capacity of 200,000 kw. They would be built on a staggered basis, with the first to be completed around 1966 and the last by 1977.

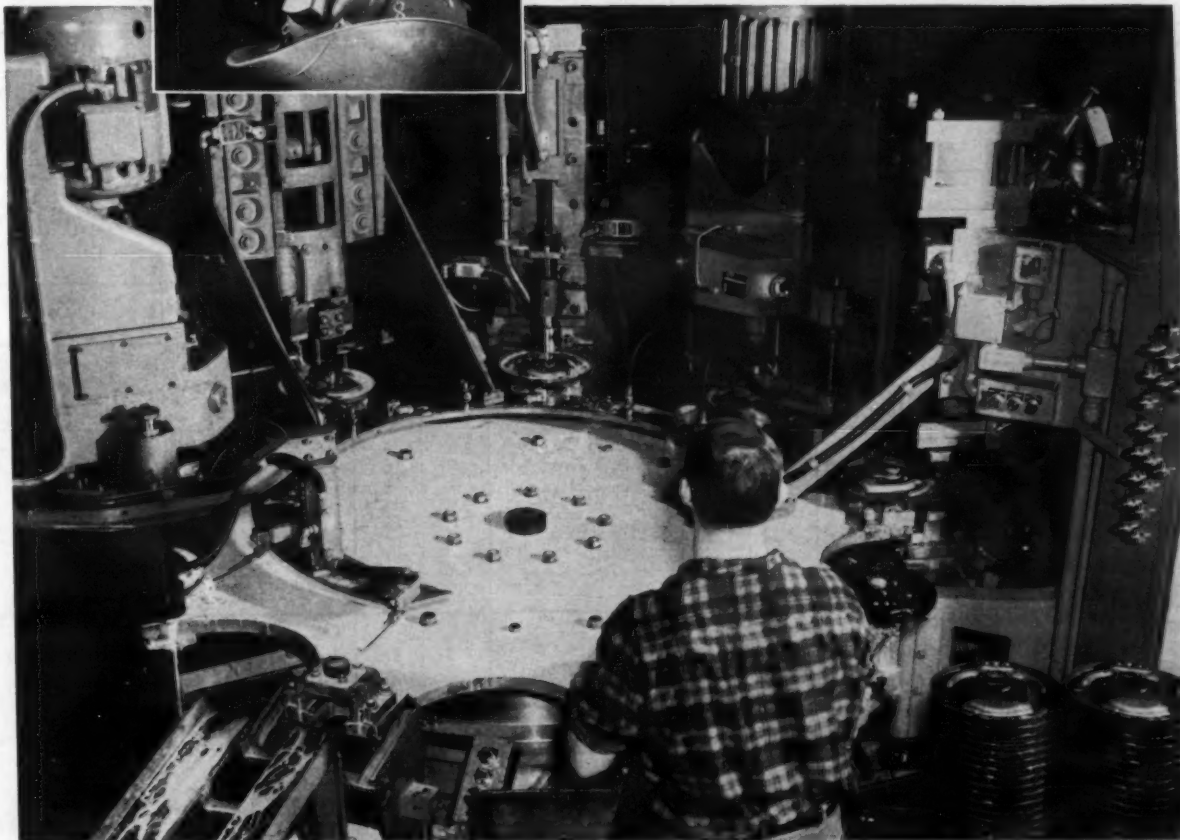
The group has taken options

on a site on the Missouri River in west central North Dakota. It is planned that at least two and possibly all five of the new facilities would be located there.

Members of the pool are Northern States Power Co., Minneapolis; Otter Tail Power Co., Fergus Falls, Minn.; Minnesota Electric Cooperative, Grand Forks, N. D.; Dakota Electric Cooperative, Bismarck, N. D., and Central Power Electric Cooperative, Minot, N. D.



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his ability to provide immediate repair parts and service—when and where they're needed. Wagner® motors have earned their reputation for proven dependability in their specific applications.

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Texas Eastman Starts Up Polypropylene Plant

Longview, Tex.—Texas Eastman Co. has jumped into the ranks of polypropylene producers with the opening of a plant here. The new facility is not yet running at top speed, but Eastman expects to go into full production by mid-year at an annual rate of 20-million lb.

In another development in the polypropylene field, AviSun Corp., Philadelphia, said it would step-up production of resin, fiber, and film during 1961.

The company is constructing a plant in New Castle, Del., capable of turning out 75-million lb. of polypropylene resin per year. It is scheduled to go on stream by mid-year. Another AviSun plant producing polyethylene film and fiber will be enlarged.

New Harper Warehouse

Houston—H. M. Harper Co. has just opened a new warehouse that will stock a complete line of nonferrous and stainless steel fasteners for customers in Oklahoma, Texas, and Louisiana. The Houston building is the second new warehouse opened by the Illinois fastener manufacturer within the past four months. A St. Louis warehouse began operations last November.

P/W Product Guide: Data to Help You Make the Right Decision

| MANUFACTURER AND MODEL | PROCESS | COST PER FIRST COPY | COST OF EACH ADDITIONAL COPY | MAX. NO. COPIES AT REDUCED COST | MAXIMUM COPY SIZE (Width x Length) | NO. COPIES/MIN. | DEVELOPING CHEMICALS NEEDED | COPY PAPER | WILL HANDLE ORIGINALS | | | | MAKES OFFSET MASTERS | COST | SPECIAL FEATURES |
|---|-----------------|---------------------|---------------------------------|------------------------------------|---|-----------------|--------------------------------|-----------------------------|--------------------------|----------|----------|-----------|-------------------------|---|--|
| A. B. DICK CO. 101 110 114 | Silver transfer | 8½-12¢ | 3½¢ | 6-12 | 9 in. x any 10 in. x 15½ in. | 2-3 | Yes | 6 colors | Yes | Yes | Yes | No | Yes | \$99.50 225 | Film for overhead projectors. |
| | " | " | " | " | 15 in. x any | " | " | " | " | " | " | " | " | 325 | Film for overhead projectors, copies book pages, photographs, photostats, blue prints, diazo prints. |
| | " | " | " | " | " | " | " | " | " | " | " | " | " | " | Film for overhead projectors. |
| FORMFOTO X-100 X-114 | Silver transfer | 8½ | Same | | 9 in. x any 14 in. x any | 4 | Yes | White | Yes | Yes | Yes | No | " | 99.50 249.50 | |
| GENERAL PHOTO PROD. CO., INC. Challenger Portafax 20 in. Duo | Silver transfer | 8½ | 3½ | 10 | 9½ in. x 16 in. 9½ in. x any 20 in. x any | 2 1 | Yes " | Variety " | Yes " | Yes " | Yes " | No Yes | " | 99 149 450 | Copies from bound books. Portable. Copies from full newspaper pages. |
| HUNTER PHOTO COPY- IST, INC. Royal Scot Laird | Silver transfer | 5½ | Same | | 12 in. x any | 3 | Yes | White | Yes | Yes | Yes | Yes | Yes | 260 | Uses one sheet of sensitized paper per copy, negatives may be deleted, pre-mixed fluids, continuous tone negs. |
| HALOID XEROX, INC. Xerox 914 Copier | Electrostatic | 1¢ | Same | | 9 in. x 14 in. | 6 | No | Uses ordinary paper | Yes | Yes | Yes | Yes | Yes | 95 rental per month (2,000 copies, extra copies 3.5¢) | Fully auto., push-button operation permits use as short run duplicator, no re-handling of original, uses ordinary unsensitized paper, dial selector for number of copies desired. |
| EASTMAN KODAK CO. Bantam A | Dye transfer | 9 | 1 | 5 | 8½ in. x 11 in. | 5 | Yes | 8 colors, cardslock | Yes | Yes | Yes | No | " | 99.50 | Requires adapter to make offset plates, copies book pages, possible to make two-sided copies. |
| Signet Model B Regent | " | " | " | " | 8½ in. x 14 in. 8½ in. x 11 in. | " | " | " | " | " | " | " | " | 175 240 | Same as above, also four-page copy paper is available. |
| Viscount | " | " | " | " | 10 in. x 16 in. | " | " | " | " | " | " | " | " | 425 | Requires adapter to make offset plates, copies book pages, possible to make two-sided copies. |
| F. G. LUDWIG, INC. Contoura-Constat Research Legal Magna Contouramatic "9" | Silver transfer | 8½ | 4¾ | Any | 8 in. x 10 in. 8½ in. x 14 in. 14 in. x 18 in. 9 in. x any | 3 5 | Yes " | 5 colors | Yes | Yes | Yes | Yes | Yes | 135.45 162.95 259.50 99.50 | Plastic air cushion follows contour lines of heavy bound books, makes intermediates for diazo and clear projection films. |
| Contouramatic Mark III | " | " | " | " | 12 in. x any | " | " | " | " | " | " | Yes | Yes | 259.50 | Makes intermediates for diazo and clear projection films, can be operated with disposable cartridge. |
| Contouramatic "14" | " | " | " | " | 14 in. x any | " | " | " | " | " | " | " | " | 349.50 | Makes intermediates for diazo and clear projection films, pressure-flow system keeps developer fresh. |
| MINN. MINING & MFG. CO. Model 270 "Courier" | Thermal | 5 | 5* | | 8½ in. x any | 7 | No | 7 colors gummed label paper | No | Yes | Yes | Yes | Yes | 209 | Makes projection transparencies, will handle all colors if printed with special ink, compact for desk-top use, used for limited copying only—does not contain cooling system found in larger models. |
| 44 "Secretary" | " | " | " | " | " | " | " | " | " | " | " | " | " | 359 | Will handle all colors if printed with special ink, dial indicates proper copy setting, overhead projection films, laminating. |
| 20 "Fourteen" 19 "Premier" | " | " | " | " | 14 in. x any 8½ in. x 14 in. | 6 4 | " | " | " | " | " | " | " | 429 499 | Same as above, also copies from bound books up to 2 in. thick. |
| NORD PHOTOCOPY & ELECTRONICS CORP. Autoflow 99 | Silver transfer | 8½ | 4 7/10 | Any | 9 in. x 15 in. | 4 | Yes | Variety | Yes | Yes | Yes | Yes | Yes | 199 | Cartridge loading provides for dry handling, copies from bound books, films for overhead projection. |
| Imperial 110 Imperial 300 | " | " | " | " | 15 in. x 18 in. | " | " | " | " | " | " | " | " | 345 385 | Films for overhead projection. Same as above, also copies photographs. |

* When original is on master up to 25 additional copies cost 2.3¢ each.

When Purchasing Office Copying Machines for Your Company

| MANUFACTURER AND MODEL | PROCESS | COST PER FIRST COPY | COST OF EACH ADDITIONAL COPY | MAX. NO. COPIES AT REDUCED COST | MAXIMUM COPY SIZE (Width x Length) | NO. COPIES /MIN. | DEVELOPING CHEMICALS NEEDED | COPY PAPER | WILL HANDLE ORIGINALS | | | MAKES OFFSET MASTERS | COST | SPECIAL FEATURES |
|--|-----------------|---------------------|------------------------------|---------------------------------|--|------------------|-----------------------------|---|-----------------------|-----|-----|----------------------|-------------------------------------|---|
| OZALID DIV., GENERAL ANILINE & FILM CORP. Ozafax 105 Bambino Ozafax 110 Ozafax 120 Junior Ozamatic Streamliner 100 Ozafax 300 Streamliner 200 Ozomatic 60 Super Ozamatic | Diazo | 1¢ | Same | | 11 in. x any 9 in. x any | 10 4 | Yes | 5 colors 8 colors | Yes | No | No | Yes | \$295 439 | Auto. stacks copies. Can produce copies on all sensitized dry diazo materials, makes color-coded copies without machine adjustments and duplicates originals on translucent materials. |
| | " | " | " | | 11 in. x any | 10 | " | 6 colors | " | " | " | " | 585 | Auto. separation, compact (type-writer size). |
| | " | " | " | | " | 10 | " | 8 colors | " | " | " | " | 675 | Auto. separation. |
| | " | " | " | | 13 in. x any | 8 | " | " | " | " | " | " | 795 (895 with auto. separator) | Film for overhead projection, develops both sides of print in one pass, has front and rear stacking, removable developer storage tank, prints up to 20 ft./min. |
| | " | " | " | | 30 in. x any | 12 | " | " | " | " | " | " | 995 | Has front and rear stacking. |
| | " | " | " | | " | 24 | " | 7 colors | " | " | " | " | 1,090 | Handles cut sheets or rolls. |
| | " | " | " | | 42 in. x any 16 in. x any | 16 22 | " | 8 colors 9 colors | " | " | " | " | 1,295 1,595 | Produces at speeds up to 40 ft./min., auto. separation with copies delivered collated in same order as fed into machine. |
| PEERLESS PHOTO PRODUCTS, INC. Dri-Stat 200 Dri-Stat 400 Quick Silver 300 | " | " | " | | 19 in. x any | 32 | " | " | " | " | " | " | 1,895 | Fully auto., makes prints in one operation at speeds up to 60 ft./min. |
| | Silver transfer | 9 | Same | | 9 in. x any 14 in. x any | 2 | Yes | 5 colors White | Yes | Yes | Yes | No | 165-189 225-265 | Auto. processing. |
| | " | 5-10 | 5 | Any | 9 in. x any | 3 | " | " | " | " | " | Yes | 395 | Uses single sheet of paper to make copies. |
| PHOTORAPID CORP. Polaris Meteor Electra 11 in. Electramatic | Silver transfer | 8½ | 3½ | 10 | 9 in. x any | 2 | Yes | 6 colors | Yes | Yes | Yes | Yes | 99.50 | Use processor to develop projection material, to reduce or enlarge. |
| | " | " | " | " | 8½ in. x 14 in. | " | " | " | " | " | " | No | 169 (149-East) | Same as above, also will copy bound book pages. |
| | " | " | " | " | 11 in. x any | 2-3 | " | " | " | " | " | Yes | 249 (229-East) 329 429 595 | Same as above, also will make aluminum offset plates. |
| | " | " | " | " | 14 in. x any 19 in. x any 24 in. x any 11 in. x any | 3 | " | " | " | " | " | " | 279 (249-East) | Cartridge-type filler auto. empties and fills developer tray. |
| PHOTOSTAT CORP. Instant Copier | Dye transfer | 10 | ¾ | 5 | 8½ in. x 14 in. | 5 | Yes | 8 colors | Yes | Yes | Yes | Yes | 225-285 | Duplicates accept additional entries, may themselves be re-copied, copies can be made on both sides of copy paper. |
| ROVICO, INC. 10 in. 12 in. 15½ in. 19½ in. 27½ in. | Silver transfer | 7 | 4 | Any | 10 in. x any 12 in. x any 15 in. x any 19 in. x any 26 in. x any | 3 | Yes | 5 colors | Yes | Yes | Yes | Yes | 99.50 225 325 425 625 | |
| ROYAL MCBEE CORP. RF-25 Royfax RF-40 Royfax | Silver transfer | 8½ | 3½ | 10 | 9 in. x any 15 in. x any | 2-3 | Yes | 6 colors | Yes | Yes | Yes | No Yes | 220 285 | Reproduces on transparent film. |
| TRIANGLE BUSINESS MACH., INC. Triangle 9 Triangle 12 Triangle Universal 100 Triangle Universal 117 | Silver transfer | 8 | 4 | 10 | 9 in. x any | 5 | Yes | 6 colors Matt film engineering vellum and card stock available. | Yes | Yes | Yes | No | 99.50 | Available in clear film. |
| | " | " | " | " | 12 in. x any | " | " | " | " | " | " | " | 149.50 | |
| | " | 9 | " | " | 11 in. x 17 in. | " | " | " | " | " | " | Yes | 195.50 | Same as above, also will copy book pages. |
| | " | 8 | " | " | 11 in. x 19 in. | " | " | " | " | " | " | " | 245 | |
| SMITH-CORONA MARCHANT, INC. Vivicopy 9 12 14 | Silver transfer | 8 | 4 | 4 | 9 in. x any 12 in. x any | 3-4 | Yes | 5 colors | Yes | Yes | Yes | Yes | 99.50 289.50 | Disposable cartridge, makes film transparencies. |
| | " | " | " | " | " | " | " | " | " | " | " | " | 199.50 | |
| | " | " | " | " | 14 in. x any | " | " | " | " | " | " | " | | |

Foreign Perspective

MARCH 6-12

PLASTICS producers of the "outer seven" countries met in London to set up policy for tariff reductions and trade with the Common Market and the U.S.

This was viewed as a step toward bridging the gap between "outer seven" countries of the European Free Trade Assn. (EFTA) and "inner six" countries of the European Economic Community (EEC). Combined plastics sales of both European trade blocs would almost equal those of the U.S.

Meanwhile, Britain and France wound up their talks on a possible merger or link-up of the rival trade blocs they lead in free Europe. A joint statement after a two-day meeting announced that another conference will be held to continue the effort to bring the two groups closer together. European sources say they are more confused than elated about the British offer to give up the preferred treatment from Commonwealth members, because the scheme appears to place London somewhere between the two camps.



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The U.S. Japan-Trade Council sharply attacked the International Brotherhood of Electrical Workers' Chicago local for its threatened boycott of electronic imports slated for May 1.

The council's special counsel, H. William Tanaka, said 1960 imports of electronic parts and components from Japan amounted to less than .03% of U.S. production. He claimed increasing use of printed circuits, automated soldering and wiring, and other technological advances—rather than imports—had caused job losses.

President of the Chicago local, Frank Darling, refused to back down from his strike threat, admitting, "It's probably in violation of Landrum-Griffin and our own union contracts, but something has to be done."

Other news on the Japanese export scene:

Japan is mounting a campaign to export close to \$6-million worth of dry batteries, mostly to the U.S.—in spite of tremendous "Buy American" pressures building around this item.

The Japan Dry Battery Industry Assn. said it will increase exports 70%-80% in 1961 over 1960, which itself saw an 88% rise over 1959. However, industry circles admit the export pace to the U.S. will drop off somewhat from last year. Even so, strength for the U.S. export market is seen in (1) battery replacement for transistor radios, and (2) the 10%-15% lower price than American or European batteries and bigger profit margin for importers.

Meanwhile, Japan appears to have been turning its back on the U.S. as far as machine tools are concerned. Japanese firms are reported to be negotiating with Hungary for 230 or more machine tool units in exchange for Japanese rayon. A spokesman for the Japanese Machine Tool Industry Assn. described this as "a good deal," enabling Japan to "get rid of surplus rayon and at the same time receive machine tools still much needed among small machine shops in Osaka."

Most Japanese machine tool manufacturers favor importing machine tools from Communist satellite countries, observers say, chiefly because these countries, in turn, buy Japanese machine tools via outright purchase deals rather than through "middle men." Sparse buying of Japanese tools by U.S. firms is another reason.

Bonn—G.I.'s in Europe will reap a 20-25% savings over retail prices in the U.S. on American Motors cars. Post exchange authorities said they had signed a contract with the auto manufacturer that offers these savings and are now negotiating contracts with similar terms for other American car makers to supply complete lines of cars for sales through Army PXs. Purpose: to conserve dollars by discouraging G.I. foreign car purchases.

Washington—President Kennedy is continuing to decide



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foreign trade problems on a case-by-case basis. His latest action is an order raising by 50% the duty on imports of foreign-made bicycles, following negotiations between the U. S. and six European nations which export bicycles.

Kennedy chose not to upset the proposed increase, first sought by President Eisenhower but blocked by a court ruling. After the court ruling, the State Dept. negotiated agreement on the new, higher bicycle rates with the six European bicycle-manufacturing countries.

White House action on trade problems under Kennedy so far has failed to indicate any strong trend either for higher or lower tariff rates. The President has refused to increase duties on imports of twines, but has agreed to the new bicycle rate and has also given his approval to higher duties on imports of pineapple in bulk.

San Salvador—The Republic of El Salvador has lowered duties on what it described as a "large number" of raw materials. Purpose: to put it on a competitive level with Guatemala, Honduras, and Nicaragua. The four countries recently signed a treaty creating a Central American common market. A commission from the four countries is now working out a schedule on more than 800 items to be covered by equalization of duties.

Moscow—There is growing evidence that the Russians are staging a drive to modernize the Soviet paper, cardboard, and cellulose industry. For example: High up on the shopping list of a delegation of Soviet purchasing officials who visited Great Britain last month was machinery and equipment for this industry. At the same time, English and Japanese firms were dickering for multimillion-dollar paper equipment contracts in Moscow.

A recent National Conference on the Cellulose and Paper Industry in Moscow threw some uncomplimentary light on the state of this industry. One major complaint: The paper industry is failing to take advantage of the Communist system's alleged capacity for standardization in its machinery.

Still another problem is lagging production of this equipment. For example, eight plants expected to produce five cardboard-making machines in 1960 only managed to turn out one. These and other ills are forcing the Russians to turn to outside technology.

Montreal—The financial position of a U. S. company's Canadian operations can be easily checked under a proposed bill which would require U. S. firms doing business in Canada to file annual financial reports on their Canadian operations.

The bill, now before the House of Commons, would require both corporations and labor unions to submit returns, a copy of which could be obtained by any interested person upon payment of a \$1 fee.

Government News in Brief

P.A. Asks Probe

New Haven, Conn.—After receiving identical bids for the second year in a row from chlorine suppliers, New Haven Purchasing Agent George F. Robinson has asked the Federal Bureau of Investigation to study the situation.

This year two companies bid \$28,329 for supplying the city with 285 tons of liquid chlorine. Robinson immediately rejected figures and scheduled a new bid session. Last year, three companies submitted identical bids of \$27,702 for 285 tons of liquid

chlorine. These bids also were rejected, but two of the suppliers came back with the same figure on resubmission.

Bids Vary in Rochester

Rochester, N. Y.—Kenneth E. Punnett, city Purchasing Agent, reports that for the first time in years the city has received varying bids for chlorine used in water purification. Punnett said that in recent years the price quoted by every bidder has been either 6.5¢ or 7¢/lb. The low

bidder this year offered a price of 4.89¢/lb.

N. J. Forms New Unit

Trenton, N. J.—New Jersey has established a permanent Surplus Property Section in its Division of Purchase and Property. Previously, the division's buying staff disposed of surplus property on a part-time basis. The new unit will dispose of materials and equipment that are considered surplus, obsolete or

unusable after state agencies have been canvassed and told that the materials are available. If no request is made for the material, suppliers will be invited to submit bids, and the surplus will be sold to the highest bidder.

Conn. Buys Computer Time

Hartford, Conn.—Connecticut has completely automated the task of registering motor vehicles with a computer system leased from C-E-I-R, Inc., Arlington, Va. Now set up for handling 1.2-million registrations, the computer will be able to process as many as 2-million with almost the same efficiency and without

the large increase in clerical help that normally would be required to take care of the bigger volume.

With the new system, which makes use of an RCA 501 computer, it will be possible to identify the owner of any Connecticut licensed car within a matter of minutes. The state pays a rental only for the actual time the computer is used.

Car Bids Lower

Denver, Colo.—The Dept. of Purchasing reports that bids submitted by automobile dealers on state contracts for 1961 were \$50 to \$100 lower per vehicle than in 1960.

Buy American

Austin, Tex.—A bill introduced in the state legislature would require all state agencies to buy American-made compacts for "general personnel transportation."

Only police and other officials requiring pursuit-type vehicles would be exempt from driving compacts under the measure sponsored by Rep. Paul W. Curington. His bill specifically noted that municipalities and other states have made "economical use of the efficient, new economy compact cars."

Another bill up for consideration by Texas solons would make it "public policy" for all state and local government agencies to buy American-made goods only. The Texas Highway Dept. already is enforcing a "Buy American" policy on construction material.

Answers to Strategy Games on Page 24

Answer to Problem I

Frank added each entry in the Extra Shipping Cost column to the corresponding entry in the Slippage Cost column. This gave him the combined costs of shipping and production loss. By this method, he obtained the following table:

| No. Items Shipped By Air | Combined Cost |
|--------------------------|---------------|
| 0 | \$1800 |
| 30 | 1500 |
| 60 | 1200* |
| 90 | 1800 |
| 120 | 2400 |

Since Frank wanted to minimize the combined costs of slippage and transport, he found his best bet was to have 60 Fan Blades shipped by air (starred item) at the minimum total cost of \$1200.

Answer to Problem II

Joe knew that although the railroad would estimate delivery in six days, the average shipping time actually would be around seven days. At the stockout cost rate of \$100 per day, this delay would lead to a \$700 loss. Air shipment would require only two days and would incur a stockout cost of \$200.

By adding this \$200 to the \$425 extra cost of air shipment, Joe arrived at a "total" cost of \$625. Since this figure represented a \$75 saving over the stockout cost of rail transport (\$700), Joe ordered the shipment delivered by air.

The nearsighted MISTER MAGOO says... "1956? A banner year! Princess Grace was married—unfortunately I couldn't attend—and General Electric invented the Power Groove Lamp. Happy birthday, Power Groo—Bowser! drop that salami! You've taken enough bites out of it already!"



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WARRANTY RESPONSIBILITY

When a seller breaks a warranty, the buyer not only may rescind the sale and recover his purchase price but also can recover damages caused by the warranted article.

A recent case involving the purchase of a thermostatic fan system for a furnace illustrates this type of damage claim. The buyer relied on the seller's recommendations and representations that the system was proper for the intended purpose. But it did not operate properly, and the purchaser requested on several occasions that the seller make repairs. Finally, a fire resulted, and the buyer sued the seller for \$3,500.

The court found that the seller's recommendation of the system was an implied warranty that the system would serve its purpose properly. Thus the buyer collected for the fire damage. (Handy v. Holland, 105 N.W. 2d 299).

DEFINING SATISFACTION

What does the word "satisfactory" mean in a sales contract? In some states it means that the buyer has the sole and arbitrary right to determine the degree of satisfaction within the stated time limit. In others, it means that

the product must be satisfactory for the purpose intended as judged by a "reasonable man."

In a recent case, two motor scrapers were purchased under a contract containing a clause that they must prove satisfactory for 10 days. The buyer, dissatisfied with the machines, sued to recover the value of those he had traded in on the purchase. The seller counterclaimed for the balance of the purchase price.

Holding for the buyer, the court said: "When in common language we speak of making a thing satisfactory, we mean it shall be satisfactory to the person to whom we furnish it. . . It can only be intended that it shall be satisfactory to the person who is himself interested in its satisfactory operation, and that is the vendee." (Anderson v. Sheehan-Bartling, Inc., 105 N.W. 2d 201).

But where the "reasonable" man test is applied, the word "satisfactory" will not necessarily be so all-inclusive. So if you want to be sure the sale is conditioned upon your satisfaction, have the contract specifically so provide.

TAKE A GOOD LOOK

Make sure you take a good look at anything offered for sale "as is" before you clinch the deal. You buy such property at your own risk if you fail to inspect it when the opportunity offered.

Take this case: Bidders at a government surplus "as is" sale were urged to inspect the property to be sold before submitting bids. The successful bidder for a lot of link pin assemblies did not inspect the pins. Later he discovered the pins were not of the type he thought he was buying and that the number of pins had been incorrectly stated.

The buyer appealed to the Armed Service Board of Contract Appeals, claiming damages totaling \$19,844. The Board disallowed the buyer's claims for damage because of quality, holding that under the Inspection and Condition of Property clause, the burden to inspect fell upon him. But it did allow a recovery for the difference in the number of pins. (ASBCA, No. 5828, Air Force Appeals Panel, 9/7/60).

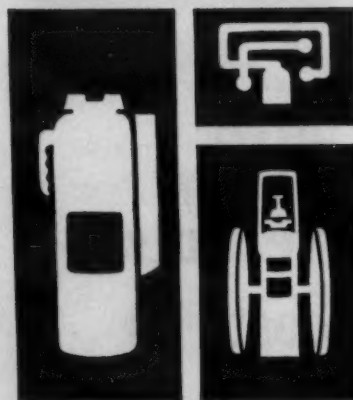
JUMPING THE GUN

Buyer can refuse to accept delivery before date called for on sales contract—when time is of the essence and buyer is prejudiced by premature delivery. For example:

Seller delivers 20 tons of steel two weeks before the contract date. Buyer has no available storage space and therefore would have to rent a warehouse. If he refuses delivery, seller can keep the contract alive only by redelivering the steel on the agreed date.

(The above material was prepared by Sydney Prerau of the J. K. Lasser Tax Institute for PURCHASING WEEK. Reader inquiries on general tax and legal aspects of purchasing will be discussed here in accordance with space limitations and applicability.)

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Purchasing Perspective

MARCH 6-12

(Continued from page 1)

From the day they first come on the job, General Foods purchasing men must keep up on government regulations, FTC, Robinson-Patman Act, etc. At the same time they have to keep an eye on international flareups that could affect the price of availability of commodities such as cocoa and sugar. Then, says Spencer, the purchasing man gets a "360-degree view of the business" because buying decisions are so closely tied into marketing, production, finance, advertising, packaging, and legalities. Thus, when other departments—like sales and personnel—bid for some of his men, Spencer considers the competition good for both the man involved and the purchasing department.

Spencer pooh-poohs the thought that buyers need years of experience before they can take over responsible, complicated jobs. "We expect a new man to be buying within a month's apprenticeship on the job," he says, "and to be spending, say \$5-million on packaging materials, by the end of a year."

Admittedly there's a need for specialists to buy certain technical items. General Foods has hired such men from engineering schools, brought them in from factory management and engineering, or from outside firms. When Spencer could not find a commodity analyst with the right statistics background, he sent a man experienced in corn milling operations to Columbia University full-time to learn the necessary math at General Foods' expense.

But over-specialization can block a man's career. So General Food switches younger buyers around to give them a broad background. You must do that to develop division purchasing managers, says Spencer. You generalize training. That's why we prefer to train our own men."

But training and development must be measured. The gages for performance evaluation at General Foods are how much a man improves on the job and his profit contribution. Each buyer sets his own savings goals and then reviews them with his supervisor.

"We want to be sure there are plenty of challenges in the goal," says Spencer. "Then a buyer can't just sit there and buy. He has to plant actively for savings."

SIGNS OF SPRING—Cleveland buyers, reporting in their monthly business survey, express concern that the "predicted business upturn, a few months hence, will bring with it price increases in many areas" . . . F. W. Dodge's construction news service reports that January building contracts rose 15% above a year ago to set a new high for the month . . . *Chemical Week* reports that most chemical process industries sales spokesmen contacted in a nationwide spot check believe the "worst is over." Sales are expected to pick up gradually until midyear, with sales starting to run strongly in the third quarter . . . It's only a creeping advance, but heavy construction and a wide variety of orders for quick delivery (auto excepted) have cheered steel producers a mite (but production so far this year still is less than 45% of last year's tonnage) . . . Copper and aluminum producers are reporting livelier demand.

LIGHT CONTAINERS—An idea man at Sun Oil suggests this personal cost-cutting idea: "You can improvise a roadside flare simply by taking an old milk carton (coated with oil-derived wax) and stuffing it with several more crushed cartons. Then, if your car breaks down at night, light the carton. It will serve as a warning light, give you light to see by, and burn for about half an hour."

Ruling Expected on Cement Imports

Washington—The U. S. Tariff Commission will decide next month whether a group of smaller domestic cement companies has been injured by lower prices of Swedish Portland cement sold in New England.

The commission has wound up hearings under the antidumping act and will report to the Treasury Dept. on April 4 whether it has found injury to the domestic industry and the extent of the injury. If injury is found, Treasury Dept. customs agents will require special dumping duties.

Complaints on the cement from Sweden started in 1959, when U. S. companies had to meet prices as low as \$3.85 and \$3.82/bbl. in the New England area. Prices now have risen to about \$4.44/bbl. for the imported cement in Providence, R. I., for example, and about \$4.52 for domestic cement. The prices quoted for bulk rail shipments.

Eleven smaller cement companies in the Lehigh Valley and Hudson Valley areas have pressed the antidumping act case against the Swedish cement.

ICC, CAB in Separate Moves on Shipping Tariffs

(Continued from page 1)

ductions on 16 commodities moving to the East from Los Angeles.

The ICC's 8-2 decision cancelling the New York Central's contract rate with Mohasco Industries, Inc. caught railroads by surprise. A number of lines, including the Central, already had such agreements pending. Under the system, a shipper gets substantial rate cuts in return for an agreement to move a fixed percentage of his traffic by rail. The idea is modeled after the "agreed charges" used by Canadian railroads.

See Rate War

The commission said contract rates would set off a "destructive rail-truck rate war." It also said that tying a shipper to a contract would have the long-range effect of lessening truck-rail com-

petition because it would prevent switching to another mode of carriage during the life of the agreement.

The New York Central said it would fight the order. "We're not going to give up on this matter," a spokesman said.

May Affect Another Contract

The decision, although it applied only to the carpeting case, was expected to determine the fate of another contract rate now in effect. The ICC will begin oral arguments March 8 on a Soo Line rate covering the movement of steel pipe to Chicago from Sault Ste. Marie in Ontario, Canada. An examiner already has expressed the opinion that the Soo Line's rate should be abolished.

Also hanging fire is a guaranteed rate proposed by the St. Louis-San Francisco Railway Co. on naval stores shipments between Chicago and Pensacola, Fla.

Both the New York Central and the Soo Line put the contract rates into effect about the same time, last April. The ICC originally had suspended the rates when motor carriers objected, but allowed the required

threatening to switch to cheaper residual fuel oil. The commission felt these volume rates would not have a destructive effect on other rates and other means of transportation because competing modes were not vying for the traffic.

'All Quiet' for Air Rates

In contrast to the turmoil in surface transportation rates, the Civil Aeronautics Board saw "all quiet" on the air charge rate front. On this basis, it issued its "tentative" proposal to scrap its minimum rate order.

Its preliminary report said the board knew of "no facts which indicate the existence of a rate war at this time or an imminent threat thereof." Result: Airlines will probably get a free hand to set their own rates.

However, the announcement was not greeted with cheers by all the airlines. Six of the seven major all-purpose carriers are on record as being opposed to revocation of the minimum rate order. Only American has been urging its repeal.

United Protests

United had formally protested a rate slash proposed by Flying Tiger Line. The CAB not only rejected the protest last week, but gave Flying Tiger the green light to put the rates into effect. Tiger did so immediately.

The new rates call for reductions ranging from 19.7% to 40.3% on a number of commodities moving from the West Coast to Chicago and points east. CAB regulations already permit preferential rates for east-bound shipments, and Flying Tiger is taking advantage of this as a first step toward introducing rates below the present minimums. Flying Tiger President Robert W. Prescott said, "Eventual reductions will bring rates on many commodities as low as 6¢/ton-mi., making them directly competitive with surface transportation."

Riddle Air Lines, only other scheduled all-cargo air carrier now operating domestically, has opposed rate reductions, except for examination of lower rates in limited cases.

March 20 Deadline

Airlines have until March 20 to file additional arguments before the CAB decides whether to make its decision final and in exactly what form.

One of the key reasons CAB gave for its proposal was increased cargo capacity through turbo-prop all-cargo carriers soon to be put in operation, plus conversion of piston-engine passenger planes to cargo use. Only Flying Tiger among the scheduled domestic carriers has ordered turbo-prop equipment. It will receive its first CL-44's in late July or early August.

The CAB first set minimum rates in 1948 to combat cutthroat competition which threatened at that time to undermine air cargo hauling altogether. In 1953, it raised the minimums by 25% to the present level of 20¢/ton-mi. for the first 1,000 ton-mi., and 16¼¢ for each additional ton-mi.

The board emphasized that its tentative intention to cancel these minimums did not mean that it was withdrawing from "effective rate regulation."

Styrene Price Reduced; Cuts Also Expected On Resin, Petrochemicals

(Continued from page 1)

lb. to 11¢/lb. (F.O.B. Kobuta, Pa., 4,000 gal. minimum).

Koppers new price probably will become industry wide. Said Union Carbide, one of the major producers: "We will remain competitive."

Of the other key industrial chemicals, gum resin prices may be the first to feel the effect of a boost in supply. "Tags may soften in the April-May period, once the new crop comes in," said H. L. Meyer, vice president of Chemat Pine Products Corp. "But I don't look for reductions to be very steep because customers have been using up their inventory. So the new crop isn't likely to create any serious oversupply."

For the cokeoven chemicals—benzene and naphthalene—the currently acute supply shortage is expected to last at least until mid-year, when additional volume starts to flow in from new petrochemical installations and increased steel operations. But it will still be a while before increased production fills up the demand pipelines. That's why most observers look for prices to remain firm—at least until the fourth quarter, when suppliers begin negotiating for 1962 contracts.

"Inventories are completely dried up at present," said a large Eastern producer. "Even if additional capacity comes through as scheduled, I can't see supply pressing on demand at any time before late in the third quarter."

Then, too, there is the foreign demand for benzene. "A lot of the new capacity due late in '61 is already contracted for by overseas customers," commented one chemical company executive.

The planned increase in benzene output has firmed the price outlook for toluene—one of the important petrochemicals used in benzene production.

This new demand offsets declining toluene markets in aviation fuel and premium gasoline. Toluene's export price has started to move up, and its domestic price looks to remain firm with some increase possible in the coming months.

Flying Tiger Rates

Largest rate reductions:

39.6% to 40.3% on paints, hardware, foods and food-stuffs, bolts, nuts and screws. Examples: Los Angeles to New York, \$15.95 cwt; former rate, \$26.60. San Francisco to Chicago, \$12.25 cwt; former rate, \$20.35.

Smallest rate reductions:

19.7% to 20.2% on chemicals, chinaware, electrical appliances and equipment, engine parts, aluminum extrusions, printed and advertising matter, pumps and parts, tape or wire recording equipment. Examples: Seattle to New York, \$15.95 cwt; former rate, \$20. San Diego to Chicago, \$11.60 cwt; former rate, \$14.45.

seven-month period following a suspension to pass without cancellation. Thus, the rates went into effect even though they remained under investigation.

Not Given Up

Despite the setback, the railroads have not given up. E. V. Hill, chairman of the Eastern Railroad's Traffic Executives Assn. said, "Railroads will continue fighting until a breakthrough comes." He feels it is just a matter of time, recalling that similar test cases had to be decided before trainload rates were approved.

The National Industrial Traffic League, a major shippers' organization, has favored the guaranteed rate in principle, viewing it as a "sound and commendable" effort by the railroads at competitive rate-making.

'No Contradiction'

The ICC insisted that rejection of contract rates did not contradict its earlier approval of volume rates offered by railroads on coal shipments. The commission said this was done to help railroads prevent the loss of a market. Consumers of coal—mainly power plants—were

Recession Rigors Give New Look to Purchasing

(Continued from page 1)
creasing the efficiency and output of their departments.

Even in companies that are adding or subtracting personnel, their aims boil down to finding the best way to cope with this major task: the need for tougher, more expert purchasing operation.

Here's what has been happening:

- Most firms contacted report that there have been no changes in the number of P.A.'s on the staff, nor are any contemplated. But on the whole, there has been a bigger work load and a broader scope for the same number of personnel to handle.

- While poor business conditions have prompted some austerity programs, most of the trimming has been done to get more efficiency. What these companies are aiming for is not only to ride out the present storm, but to get the best possible staff to carry on after conditions improve.

- Many purchasing directors have reacted to emphasis on "expertness" by going out to find specialists. They've added more P.A.'s with know-how in value analysis, inventory control and production technology. Also in this group are firms that have expanded or plan to expand staffs in military contract sections.

Influence of government on contractors has gone further than merely affecting the size of purchasing departments. Pushed by the Defense Dept., military procurement officers are putting on a drive to insure that prime

contractors are buying in accordance with government requirements. This pressure extends to subcontractors as well.

Said the director of procurement of an electronics contractor: "This pressure will ultimately mean an increase in the number of high-calibre buyers. It also means higher stature and growing importance of the purchasing department as a whole."

A West Coast aircraft components manufacturer confirms this view. Although this company is a subcontractor for hydraulic and pneumatic systems, the growth of these assemblies in electronic components has forced this supplier to hire qualified electronics buyers as a means of keeping the firm competitive.

In the Midwest, an electronic motor firm, which has contracts for atomic submarine equipment, added two technical P.A.'s in the last year. One handles Navy contract purchasing, while the other is assigned to value analysis.

Effects of Automation

The influence of automated office procedures has increased. Clerical staffs are being cut, but at the same time specialists in purchasing techniques are being hired to man the EDP equipment. One large chemical company reports that through data processing it has consolidated many purchasing jobs and reduced its clerical help. And as the work load increases, the slack will be taken up by its present smaller staff doing a better, smarter job.

Clyde Keefer, P.A. at Pittsburgh Plate Glass Co.'s Paint Div., Atlanta, says his staff size is not changing to a great degree, but he is increasing the value and efficiency of his department by use of automation techniques.

"The changes that are planned for this year are a continuation of changes from manual operations to data processing," comments C. D. Collier, director of material, Ling-Temco Inc., Dallas. "This is a long-range program started in 1953, and our aim is lowest cost, whether recession or prosperity."

Change in Makeup

The purchasing agent for a large Southern electronics manufacturer sums up the influence of automation: "Although the staff is not changing as to size of actual buyer force, I'm cutting down on secretarial and clerical help and changing the makeup of the buyer staff to personnel who have knowledge not only of the buying function, but also an appreciation, understanding and ability at inventory control."

"Before, when inventory control told a buyer to purchase a certain quantity, the buyer might try to purchase more than required to save on reorders. But now, the buyers understand inventory control, and in many cases are making inventory control decisions, so that they appreciate not only the problems of buying, but also the problems of keeping inventory in line with management requirements and sound financial inventory techniques."

The new look in purchasing has also meant that candidates for purchasing jobs have to meet higher qualifications. Although advancement from the ranks still is possible, the majority of companies polled say that a college degree, especially an engineering major, is fast becoming a must for the newcomer. In many cases purchasing has lifted engineers out of other departments and even other divisions within the company.

Youth and Education

Executive secretary of the New York Assn. of Purchasing Agents Robert Davis commented on this trend: "The emphasis now is on younger P.A.'s with college degrees. Companies are evidently looking to a future of smaller staffs with younger purchasing agents."

Outstanding example of this

Late News in Brief

First Nylon-Rayon Tire on Market

Akron—Seiberling Rubber Co. announced that it is going on the market next month with the rubber industry's first tire combining nylon and rayon fabric. Trademarked Nytex, the tire will be priced somewhere between nylon and rayon tires. Seiberling said the tire combines the advantages of both reinforcing fabrics: nylon's extra strength and rayon's smoother ride.

Norge Sells Thermoelectric Freezers

New York—Borg-Warner's Norge Division has made the first commercial sale of a thermoelectric refrigeration system. Five hundred of the motorless, noiseless units will be installed in bathrooms of a new Sheraton hotel being built in Chicago. The half-cubic-foot capacity refrigerators are priced at about \$200 each and their basic function will be to make ice cubes.

More GE Reforms

Chicago—General Electric Chairman Ralph J. Cordiner says GE is planning new auditing techniques, among other actions, to see that price-fixing violations do not occur again. Addressing a management conference at Chicago University, Cordiner said the company also will press "more searching" questions at business review sessions, require more penetrating legal reviews of operations, and give better instruction on antitrust law at all company levels.

U. S. Won't Ask for Tolls

Washington—White House sources said last week that President Kennedy, as of now, does not intend to ask for tolls on inland waterways. Fears that such tolls would be imposed were raised by Kennedy's message on natural resources in which he asked responsible government agencies to formulate general principles for fees and other user charges at "all types of federal natural resource projects."

Showdown Near on Truck Rate Hike

Cleveland—Rate hikes for East-Midwest shippers moved a step closer to an ultimate showdown last week. The general committee of the Eastern Central Motor Carriers Assn. adopted a docket proposal boosting LTL rates 10%. It calls for volume rate increases of 3%-5%.

The approved docket calls for cancellation of the present \$1 shipment surcharge in current ECMCA tariffs (except 29-A) and publication of these changes:

- On LTL and any-quantity class and commodity rates, add (1) 68¢ cwt. to shipments weighing less than 300 lb., (2) 51¢ cwt. to 300-999 lb. shipments, (3) 15¢ cwt. to 1,000-1,999 lb. shipments. On 2,000 lb. ship-

ments and over, no rate change.

- Add 50¢ per shipment to minimum charges of Sept. 30, 1960.

- Increase volume or truck-load class rates by 3%.

- Increase volume or truck-load commodity rates by 5% (exceptions: 28-C and 29-A.)

- Increase accessorial charges by 10% (except for provisions established at Port of Baltimore, Md., under Docket SR-12662).

Final date for carrier objections, if any, is March 9. At that time, the new tariff can be published. Shippers have 30 days to file protests with the ICC. If the rate is suspended, another seven-month waiting period follows while ICC investigates the rate.

Price Changes for Purchasing Agents

| Item & Company | Amount of Change | New Price | Reason |
|---|------------------|-------------|----------------|
| INCREASES | | | |
| Resin solids, ext. gr. plywood & hardbd. ingredient, Amer. Marietta, April 1, lb. | .01 | .25 | incr. costs |
| Secondary brass & bronze ingots, 2 Eastn. smlters, lb. | .01-.02 | | incr. costs |
| Wool-dacron blends, yard. | .10 | | |
| REDUCTIONS | | | |
| No. 2 heating oil, mid-cont., 3 refiners, gal. | .0025 | .095 | warmer weather |
| Zinc oxide, leaded, 12% & 18%, lb. | .0075&.0063 | .1125&.1238 | |
| Acrylonitrile-butadiene-styrene pipe compounds (kralastic B & hht), U. S. Rubber, lb. | .02 & .04 | .46 & .56 | competition |
| Aldehyde C-12, lb. | \$1.25 | \$9.75 | |
| Styrene monomer, koppers, fob Kobuta, Pa., 4000 gal. min., lb. | .0159 | .11 | oversupply |

streamlined look in the purchasing department is Cribben & Sexton Co., Chicago gas range manufacturer. The company has reduced its department by one-third in the last six months, but the staff is doing 15%-25% more work. At present the department's seven men handle 4,000 basic parts, all raw materials, and 56 basic models of stoves. Each man is a college graduate. And the average age is under 30.

The principal victim of this swing to higher education is the old timer with the green eyeshade—the man over 40 without a degree or its equivalent. Elsie Leggett, New York purchasing employment consultant, says these older P.A.'s mostly on the middle level, are caught in a squeeze. The upper level is "holding its own" however, with more and more directors and vice presidents coming from other departments. At the same time the bottom level is filling up with bright young men with college degrees who are raring to get out of the lower pay bracket and into the middle level. Advises the consultant: "It's clear that all purchasing agents have to keep current, keep up-to-date, to get ahead today."

Purchasing agents under management's gun to cut costs are not too happy under the new dispensation of higher work loads and reduced staffs. Some typical comments:

- "From my point of view, we could do a better buying job and save the company more money if we had more people," claims the vice president of purchasing for a mining company.

- "Added assignments like production planning and purchasing research and development now being given the purchasing department by top man-

agement should bring increases in the size of the staff to do the job," points out a P.A. for a medium-sized chemical company.

"Cost emphasis means greater attention to details and more people required to do the job. I feel that added personnel are justified in savings to the company" says a purchasing agent for a large electronics firm.

National 'Bank' Proposed For Used Machine Tools

Washington—A national "tool bank" of used machine tools and other production equipment has been proposed by a Connecticut congressman as a way of supplying underdeveloped countries with U. S. industrial equipment and helping U. S. manufacturers modernize their own plant and equipment.

Rep. Frank Kowalski (D-Conn.) has been working with machine tool makers and others to promote such a project, and is trying to interest government agencies. He has proposed a government-industry task force to work out the details.

He would stock the "bank" with Defense Dept. tools found to be surplus and by giving U. S. manufacturers a special tax incentive for contributing tools to the bank.

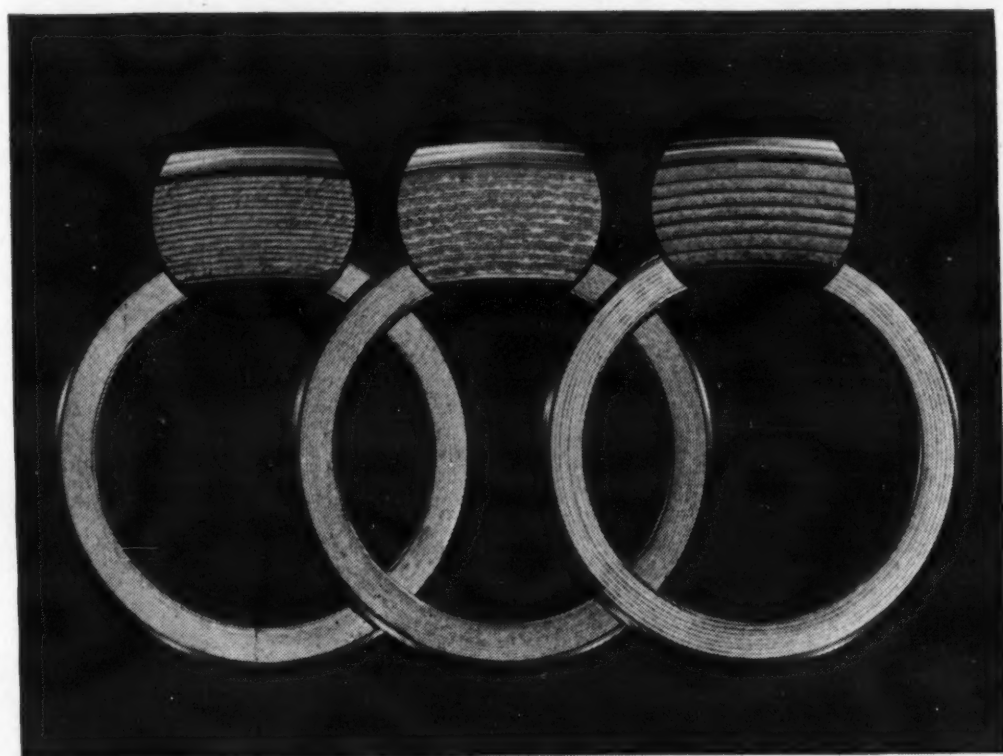
Machine tool makers aren't very optimistic about the part of the plan that would get their used machines into the bank; they suggest that their chances are better for getting government-owned surplus tools shipped overseas.

Kowalski's hope is that private industry will take the initiative in pushing the plan, but admits that legislation and federal funds would be required.



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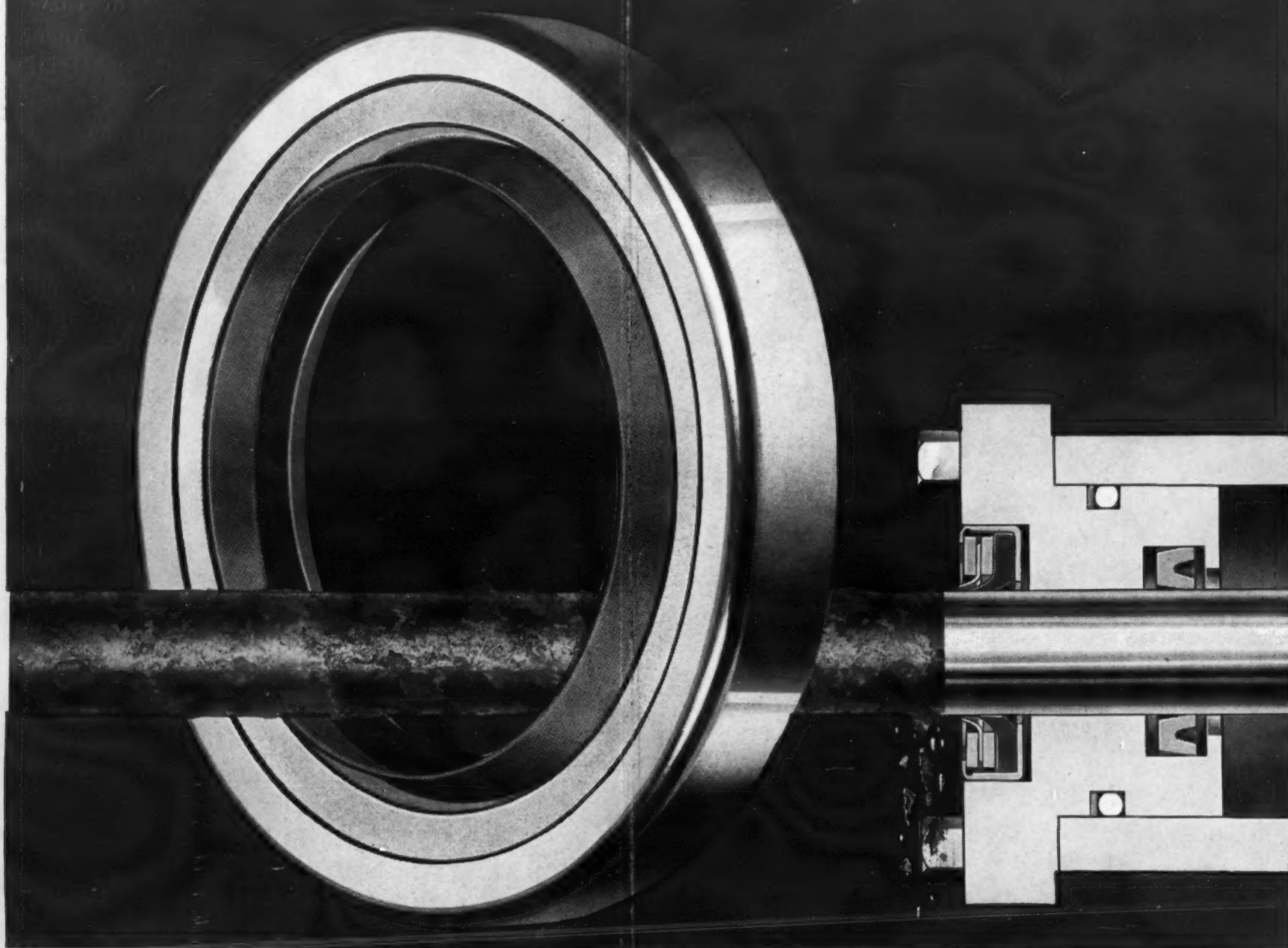
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